

A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD



The Conference Board

OCTOBER, 1984

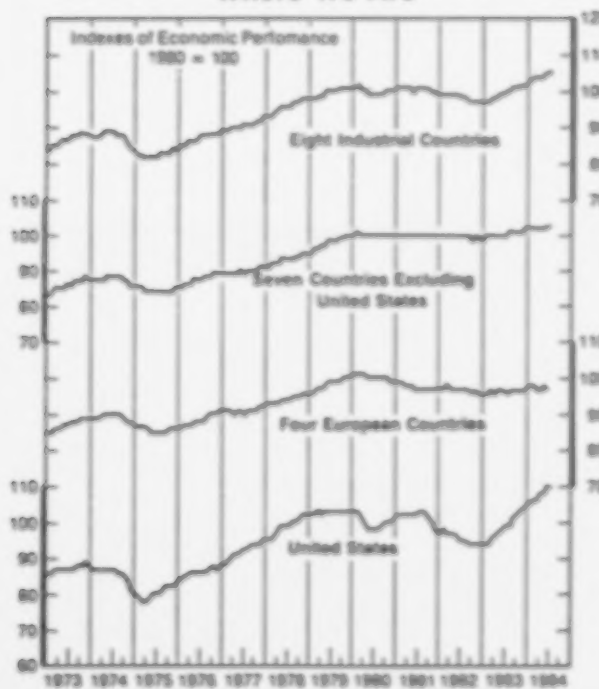
SUMMARY

Australia is clearly the front runner among the eight industrial countries, with a 10% annual growth rate in its leading index, and 11% in its performance index. In the United States, Canada, and Japan the leading indexes are signaling slower growth ahead, but expansion is continuing. The latest performance index growth rates are 8% for the U.S., 6% for Canada, and 4% for Japan. In Europe, Italy's indexes show that recovery may have started last spring, but in the United Kingdom, West Germany and France the recovery seems to be stalling.

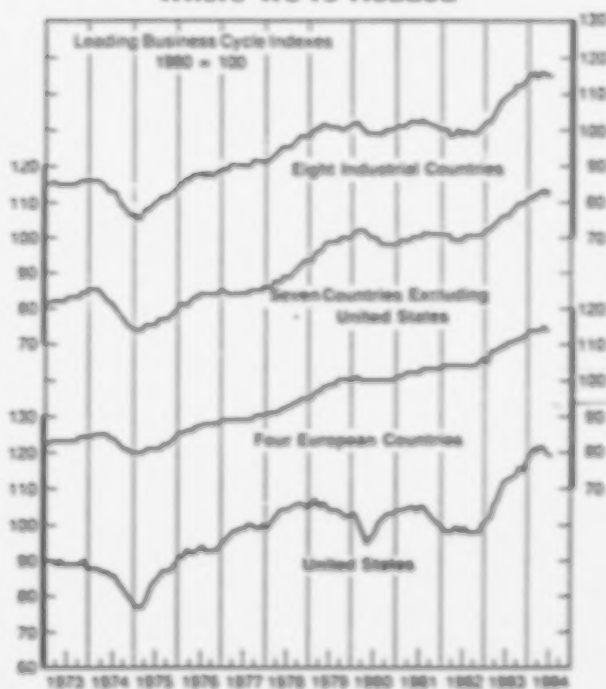
	Ten-year Growth Rate 1969-79	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
United States	3	13	11	8	17	9	2	Expansion slowing	Aug.
Canada	4	5	4	6	9	7	4	Expansion continuing	July
United Kingdom	2	2	1	0	3	2	1	Recovery stalling	July
West Germany	3	5	2	0	8	4	3	Recovery stalling	July
France	4	- 1	0	1	11	9	3	Recovery stalling	Aug./July
Italy	3	0	- 1	1	5	9	7	Recovery getting under way	May
Japan	5	4	5	4	12	11	8	Expansion continuing	July
Australia	4	8	11	11	11	9	10	Expansion continuing	July
8 countries	3	7	6	6	12	8	3	Expansion slowing	July
7 countries ex. U.S.	4	3	3	3	9	7	4	Expansion continuing	July
4 European countries	3	2	1	2	6	5	2	Recovery stalling	July

* Annual rate based on ratio of current month's index to average index over the preceding 12 months.

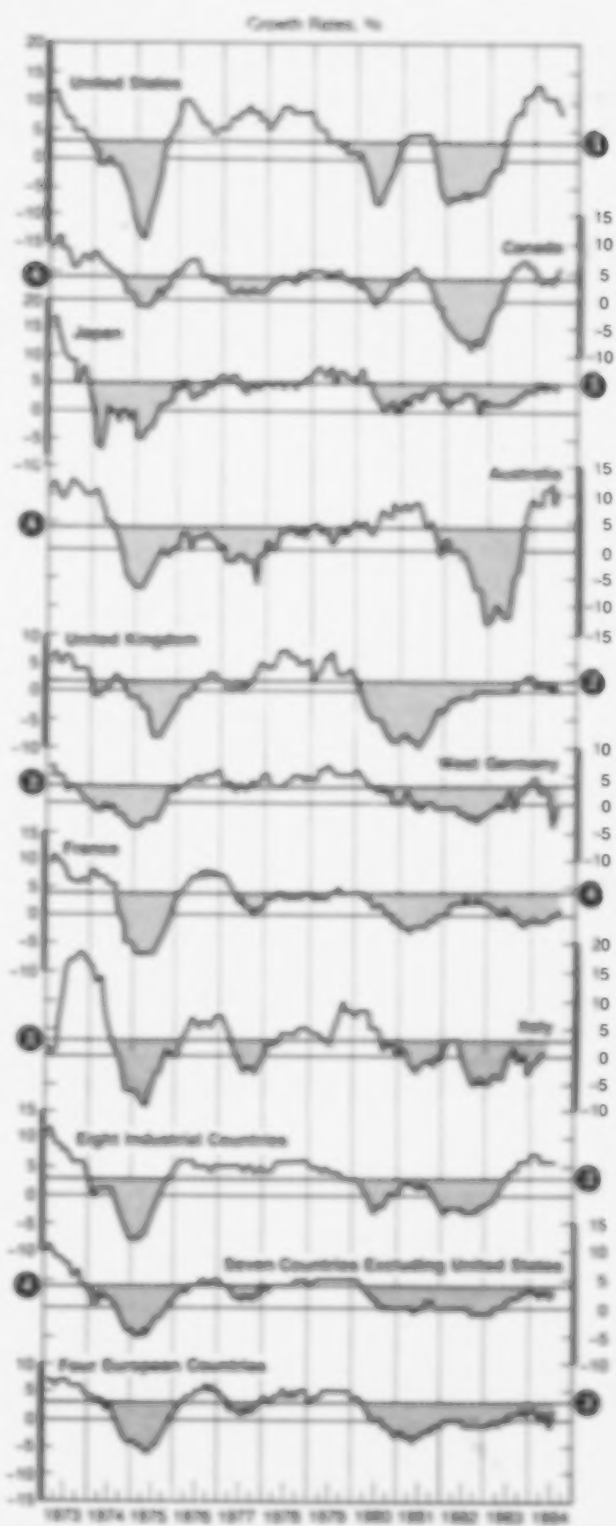
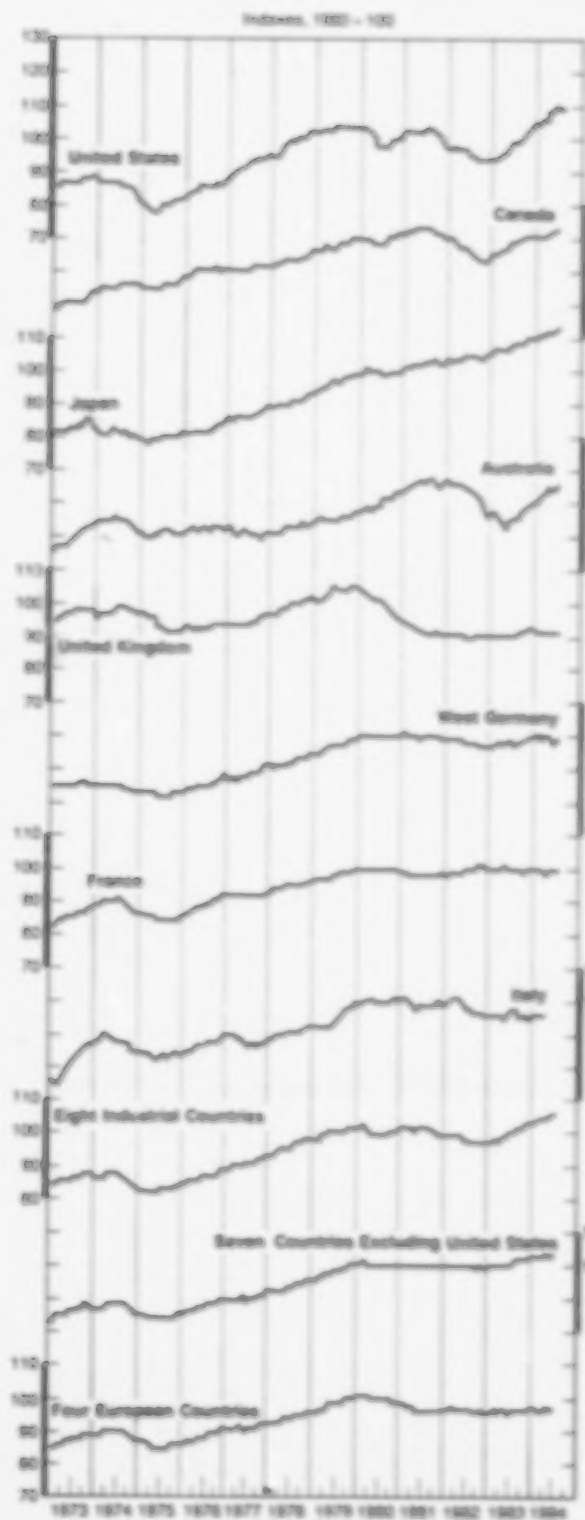
Where We Are



Where We're Headed



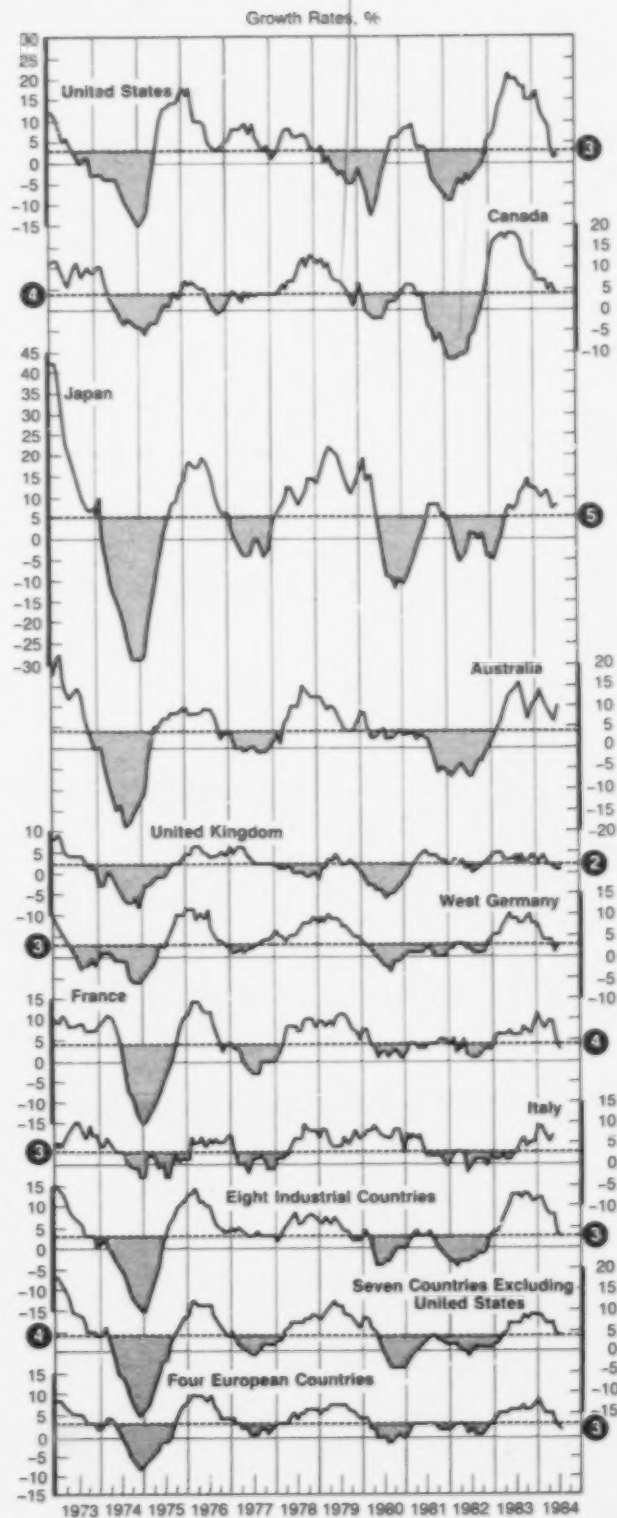
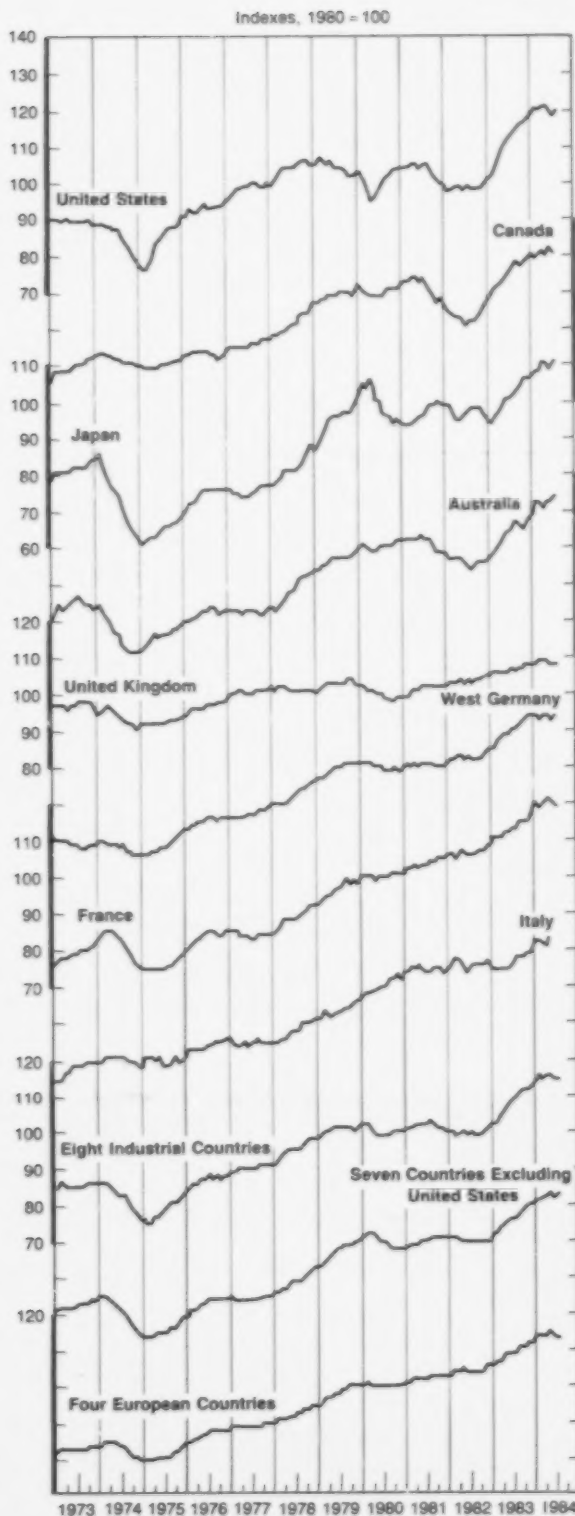
Where We Are Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1950-75 in the index and in real GDP.
Source: The Conference Board

Where We're Headed

Leading Business Cycle Indexes



Note: Horizontal dash lines are average growth rates for 1969-79 in the index and in real GNP.
Source: The Conference Board

NEW INDEXES FOR TAIWAN, R.O.C.

New business cycle measures have been compiled for Taiwan, comparable to the leading index and economic performance indexes for the eight industrial countries regularly reported in the Scoreboard. The new indexes show that a cyclical recovery got under way in the Taiwanese economy in October 1982, and that this recovery continues at a vigorous pace, with double-digit growth rates in both the leading and performance indexes (see Table 1 and charts). Recent growth rates of the leading index, moreover, suggest that the expansion has not yet run its course; indeed, at last report it is still running under a good head of steam.

Taiwan's recovery started at about the same time as in the United States and eight months before Japan. Those are the two countries with the closest links to Taiwan's economy. About 40% of Taiwanese exports go to the United States and about 10% to Japan. The United States and Japan each supply about one-fourth of Taiwan's imports.

One additional interesting fact revealed in Table 1 is the extraordinary long-term growth of Taiwan's economy. Its 10 percent annual growth rate during the decade of the 1970s was three times as fast as the average of the major industrial economies.

Table 1. Recent Growth Rates, Taiwan and Other Countries

	Ten-year Growth Rates 1969-1979	Six Months Ago	Three Months Ago	Latest Month	Latest Month Covered
<i>Annual rates, percent</i>					
Leading Indexes					
Taiwan	10	11	14	11	April
Eight countries	3	12	8	3	July
Economic performance indexes					
Taiwan	10	12	10	13	March
Eight countries	3	7	6	6	July

Chart 1. Taiwan Indexes, 1961-84

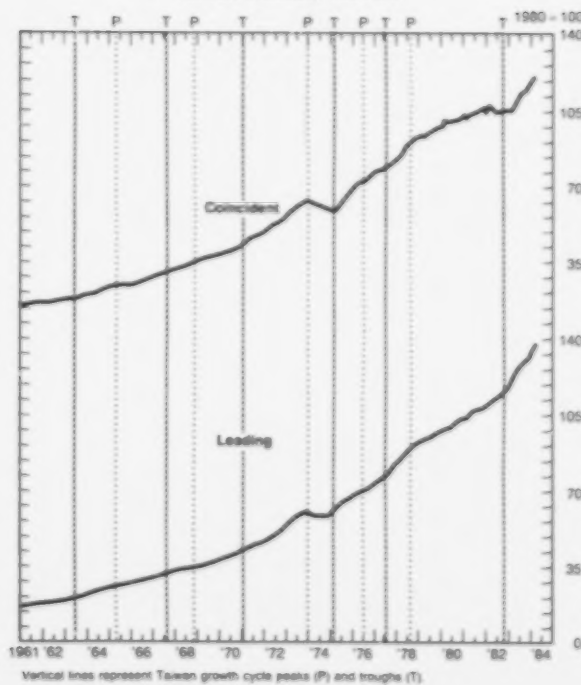


Chart 2. Taiwan Growth Rates, 1962-84

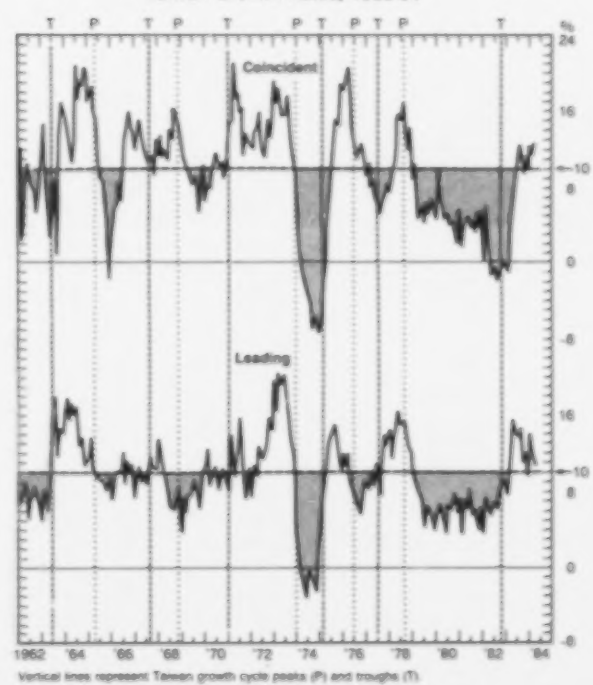


Table 2. MEDIAN LEADS AND LAGS OF LEADING INDICATORS AT GROWTH CYCLE PEAKS AND TROUGHS, THREE COUNTRIES

Indicator, U.S. Title	United States		
	Taiwan	States	Japan
	Lead (-1) or Lag (+), in months		
Average workweek, manufacturing	- 9	- 2	- 4
New unemployment claims	NA	- 2	NA
New orders, consumer goods	- 1	- 2	NA
Formation of business enterprises	NA	- 4	-13
Contracts and orders, plant and equipment	NA	- 2	- 4
Building permits, housing	- 6	- 7	- 9
Change in business inventories	NA	- 1	- 2
Change in industrial materials prices	NA	- 4	- 7
Stock price index	- 1	- 4	- 6
Profits	NA	- 2	-10
Ratio, price to unit labor cost	NA	- 7	- 2
Change in consumer debt	NA	- 4	- 7
*Exports, in constant prices	- 4		
*Money supply (M1), in constant prices	- 4		
Composite leading index	- 2	- 2	- 4

*Used for Taiwan only.

Source: Center for International Business Cycle Research, Columbia Business School

Table 2 lists the individual leading indicators that are combined to make up the composite leading indexes for Taiwan and its big trading partners, showing for each series the average lead time, in months, in advance of economic downturns and upturns. These indicators reflect decisions or commitments to economic activity in the months ahead or factors influencing these decisions.

As in the case of other countries, some of Taiwan's indicators are only roughly equivalent to those for the United States. For example, average monthly working hours in manufacturing is used in place of the average workweek, and new orders for manufactured goods is used in place of new orders for consumer goods. There are also some gaps where no series is available. In view of the "island economy" character of Taiwan, we include exports in constant prices as a leading indicator. Also, money supply (M1) in constant dollars is included. As the table shows, the typical lead times for the Taiwanese indicators closely resemble those for the other two countries. Hence the leading index for Taiwan, constructed

Table 3. TAIWAN INDEXES AND GROWTH RATES

	Indexes		Growth Rates	
	(1980 = 100)		(% Annual Rate)	
	Economic Performance	Leading	Economic Performance	Leading
1982				
Jan.	104	108	0	4
Feb.	108	111	6	7
Mar.	107	111	4	6
Apr.	106	111	1	6
May	105	111	- 1	6
June	105	112	- 1	7
July	105	113	- 1	7
Aug.	105	113	- 2	6
Sept.	105	115	- 1	8
Oct.	105	115	- 2	8
Nov.	106	117	1	9
Dec.	106	117	0	9
1983				
Jan.	105	117	- 1	8
Feb.	105	118	- 1	8
Mar.	107	121	3	12
Apr.	108	124	6	15
May	109	125	7	14
June	111	126	10	14
July	113	127	11	14
Aug.	114	129	13	15
Sept.	114	129	12	13
Oct.	114	129	10	11
Nov.	116	131	11	12
Dec.	116	131	10	10
1984				
Jan.	118	135	12	14
Feb.	119	135	12	11
Mar.	121	137	13	12
Apr.	*	137	*	11

Source: Center for International Business Cycle Research, Columbia Business School

from six series, has given reliable early warning signals of recession and recovery since 1961.

In view of the encouraging results of this research—which was conducted at the Center for International Business Cycle Research by Pin-Jan Ku of the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, Republic of China, the Center and The Conference Board hope to be able to complete arrangements soon to keep the figures up to date and report them regularly in this publication.

INDEXES, EIGHT COUNTRIES, 1983-84

		U.S.		Canada		U.K.		West Germany		France		Italy		Japan		Australia		8 Countries		7 Countries ex. U.S.		4 Countries Europe	
Indexes, 1980 = 100																							
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Apr.	83	96	107	97	102	91	106	97	108	100	111	96	105	107	97	94	101	98	105	100	104	96	108
May	83	97	109	98	103	91	106	98	109	101	112	95	105	107	99	93	103	99	107	100	105	97	109
June	83	98	111	99	104	91	106	98	109	100	112	96	105	108	101	95	104	99	106	100	106	97	109
July	83	99	112	99	105	91	107	97	110	100	113	97	106	108	101	95	105	100	109	100	106	96	109
Aug.	83	99	113	100	107	91	106	98	110	100	113	97	108	109	102	96	107	100	110	101	107	97	110
Sept.	83	101	114	100	108	92	107	98	111	100	115	96	108	109	103	96	107	101	111	101	108	97	111
Oct.	83	102	116	101	107	92	107	98	112	99	115	96	108	109	104	98	106	101	112	101	109	97	111
Nov.	83	103	116	101	108	93	108	99	113	100	115	96	109	110	106	99	105	102	112	101	110	97	112
Dec.	83	104	117	101	109	93	108	100	114	100	117	95	109	110	106	100	108	102	113	102	110	97	112
Jan.	84	105	119	101	110	92	108	100	114	100	120	96	112	110	107	100	109	103	114	102	111	98	114
Feb.	84	106	121	101	109	92	108	101	114	100	119	96	112	111	108	101	112	104	116	102	111	98	114
Mar.	84	106	120	101	110	92	109	99	113	100	119	96	112	111	108	102	112	104	115	102	112	97	114
Apr.	84	108	121	102	111	92	109	100	114	99	120	96	111	112	110	103	111	104	116	102	112	97	114
May	84	108	121	102	110	92	109	100	114	100	121	113	112	110	105	112	105	116	103	113	98	115	
June	84	110	120	103	112	92	108	97	113	100	120	112	109	104	112	105	115	102	112	112	97	114	
July	84	109	118	104	111	92	108	99	114	100	119	113	111	106	114	106	115	103	113	98	114		
Aug.	84	110	120																				
Growth Rates, Percent																							
Apr.	83	2	15	2	18	0	3	-1	8	0	6	-4	1	1	1	-12	9	1	9	0	5	-1	5
May	83	5	18	4	17	0	3	1	10	1	7	-4	1	1	6	-12	12	2	11	0	7	0	6
June	83	7	21	5	18	0	3	2	9	0	6	-1	2	2	8	-8	13	3	13	1	7	0	6
July	83	8	20	6	18	0	4	-1	9	0	6	1	3	2	7	-5	14	4	13	1	7	0	6
Aug.	83	8	20	6	18	1	2	1	8	0	6	2	5	3	8	-4	16	4	12	2	7	1	6
Sept.	83	10	18	7	17	2	4	2	8	-1	8	-1	6	3	11	-1	14	5	13	2	9	1	7
Oct.	83	11	18	7	13	2	3	2	9	-2	7	0	4	4	12	3	10	6	13	2	8	1	6
Nov.	83	11	15	6	12	3	3	3	10	-1	6	0	5	4	14	6	7	6	12	3	9	2	6
Dec.	83	12	15	6	10	3	4	4	8	-1	8	-3	5	4	12	9	10	6	11	3	9	1	7
Jan.	84	13	15	5	9	2	3	5	8	0	11	-1	9	4	12	8	11	7	12	3	9	2	8
Feb.	84	13	17	4	7	1	3	4	6	-1	9	-1	9	5	11	8	14	7	12	3	8	2	6
Mar.	84	11	12	3	7	1	4	2	4	-1	8	0	7	4	10	11	11	6	9	2	7	0	5
Apr.	84	11	10	4	7	1	2	2	4	-1	9	1	5	5	11	11	9	6	8	3	7	1	5
May	84	11	9	3	5	0	2	2	4	0	9	7	5	10	12	8	6	8	3	7	1	5	
June	84	11	4	4	6	1	1	-4	1	0	5	4	7	8	6	6	4	2	4	-1	3		
July	84	9	1	6	4	0	1	0	3	0	3	4	8	11	10	6	3	3	4	2	2		
Aug.	84	8	2																				
Ten Year Annual Growth Rate, Percent																							
1969-79		3	3	4	4	2	2	3	3	4	4	3	3	5	5	4	4	3	3	4	4	3	3

THE INTERNATIONAL ECONOMIC INDICATOR SYSTEM

Each issue of the *Scoreboard* includes indexes of economic performance for the major industrial nations as well as the leading indexes. The economic performance indexes are composites of such series as real GNP, industrial production, employment and sales—what analysts call “coincident” series, because they define the business cycle.

The leading indexes are composites of such series as new orders, construction contracts, corporate profits and stock prices—indicators that usually anticipate changes in production and employment by several months. Thus the indexes of economic performance tell us the current status of the business cycle, i.e., where we are, while the leading indexes tell us where the economy is headed.

Experience has shown that when the leading index begins to rise faster, it is a fairly safe rule that the economy will soon begin to rise faster too—typically after three or four months. When the leading index begins to rise more slowly or to decline, the economy is likely to follow suit shortly thereafter. (For details, see “What the Leading Indicators Indicate,” *Across the Board*, April 1980 and *Business Cycles, Inflation and Forecasting*, Ballinger Publishing Co., 1983.) Considerable variation in the length of lead is to be expected, however. Constant monitoring is needed to make effective use of the system

and get early warnings of recessions and recoveries, changes in foreign trade flows, and new inflationary trends.

The indexes for the eight industrial nations were developed by Geoffrey H. Moore and Philip A. Klein, and are maintained by the Center for International Business Cycle Research at the Columbia Business School. (The U.S. indexes used here differ slightly from the indexes reported monthly by the U.S. Dept. of Commerce.) To facilitate analysis the indexes are adjusted so their long-run growth rates, 1969-79, are equal to those in real GNP in the country concerned. These growth rates are shown at the bottom of the table on the back page and by horizontal lines on the right panel of the charts on pages 2 and 3.

For More Information

To find out more about this indicator system and the availability of detailed data for each country please address inquiries to:

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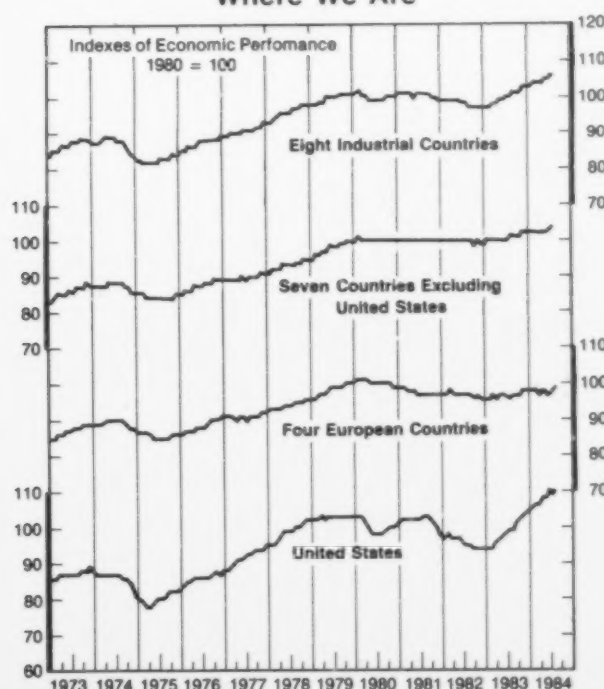
SUMMARY

The recovery phase of the business cycle continues as the dominant trend among the major countries, but a great deal of diversity is seen in the pace of advance. In Australia, rapid expansion is still in prospect, judging from the 11% annual growth rate in its leading index for August. Japan's leading index has slowed to a still-healthy 8% growth rate, while in Europe and North America the leading indexes, with one exception, are rising in the 3 to 5% range. The exception is the United Kingdom, where the recovery has at least temporarily stalled with both the leading and performance indexes registering a 1% decline. The timing of this setback is clearly associated with the coal strike. For the eight industrial countries taken together, the leading and performance indexes both turned in a 5% growth rate in August—less than ebullient, but well above the 3% trend rate of growth that characterized the decade 1969 to 1979.

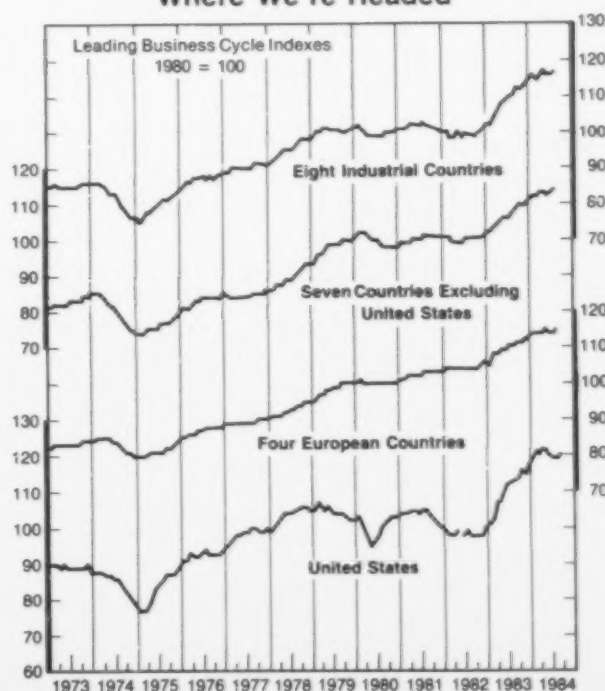
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West Germany	3	4	2	3	7	7	4	Recovery continuing	Aug.
France	4	- 1	0	2	9	9	5	Recovery continuing	Aug.
Italy	3	0	- 1	0	9	6	3	Recovery getting under way	May/Aug
Japan	5	5	5	4	11	10	8	Expansion continuing	Aug.
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*Annual rate based on ratio of current month's index to average index over the preceding 12 months.

Where We Are

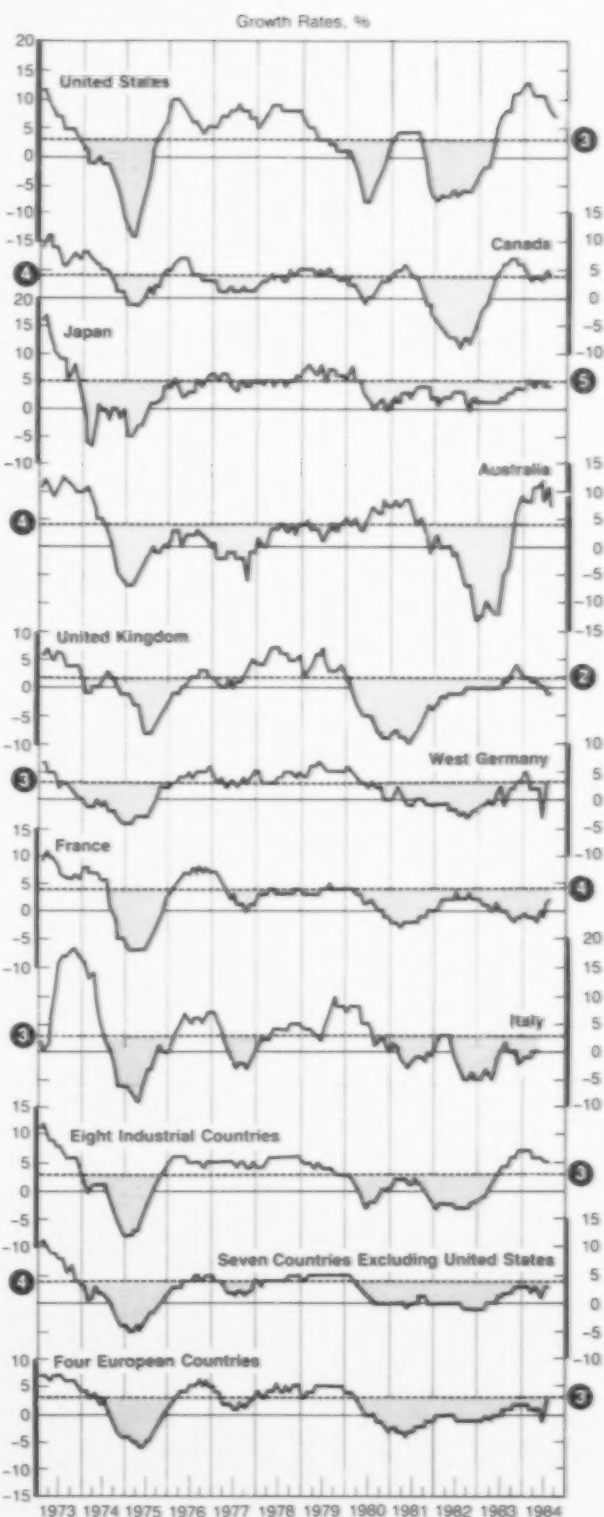
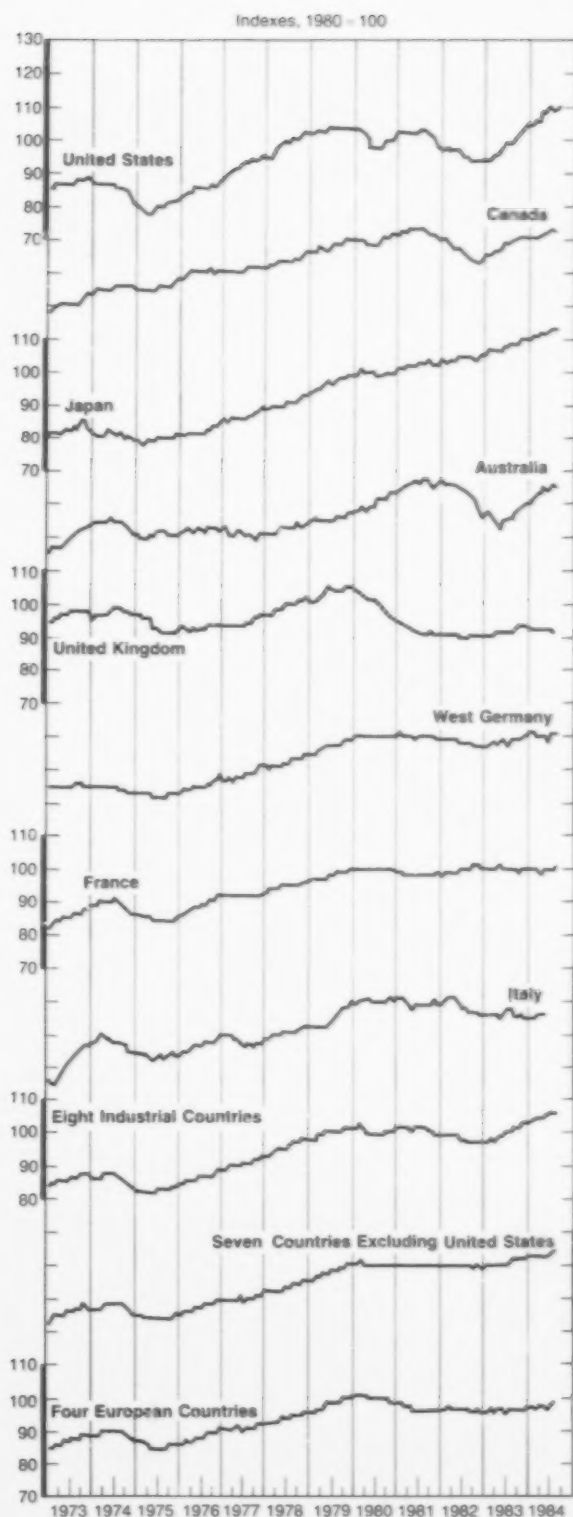


Where We're Headed



Where We Are

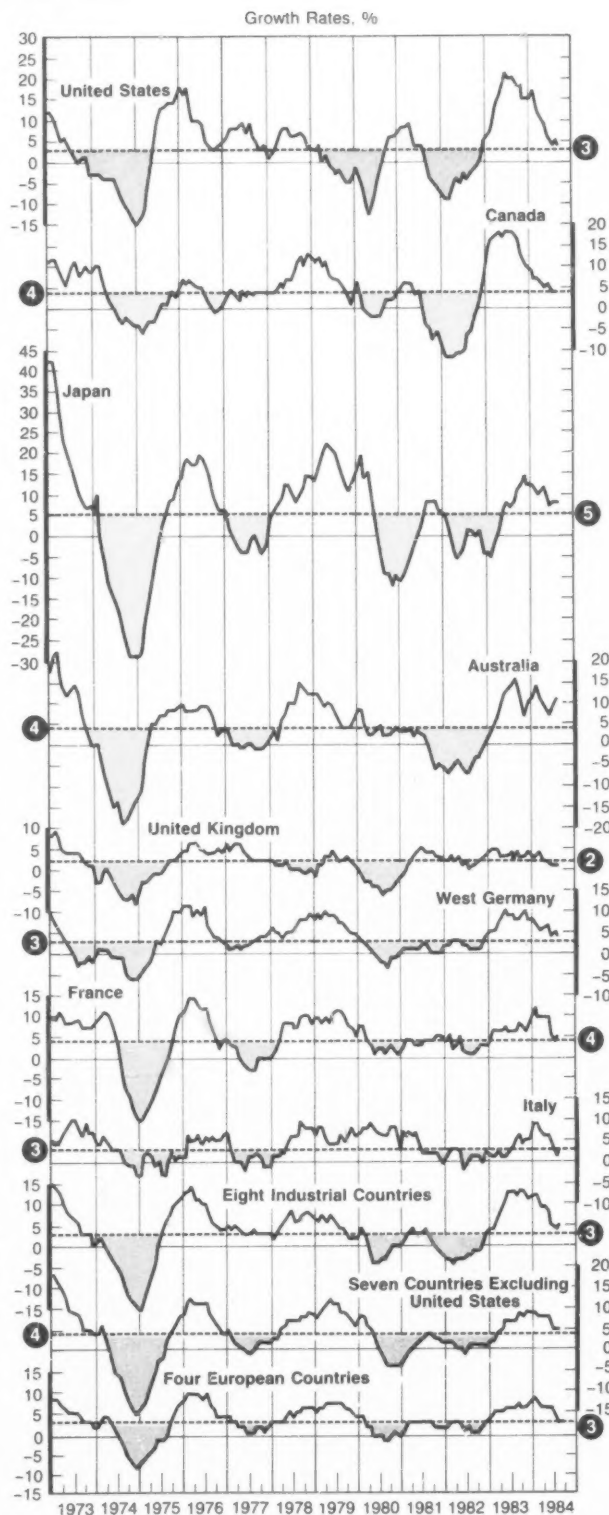
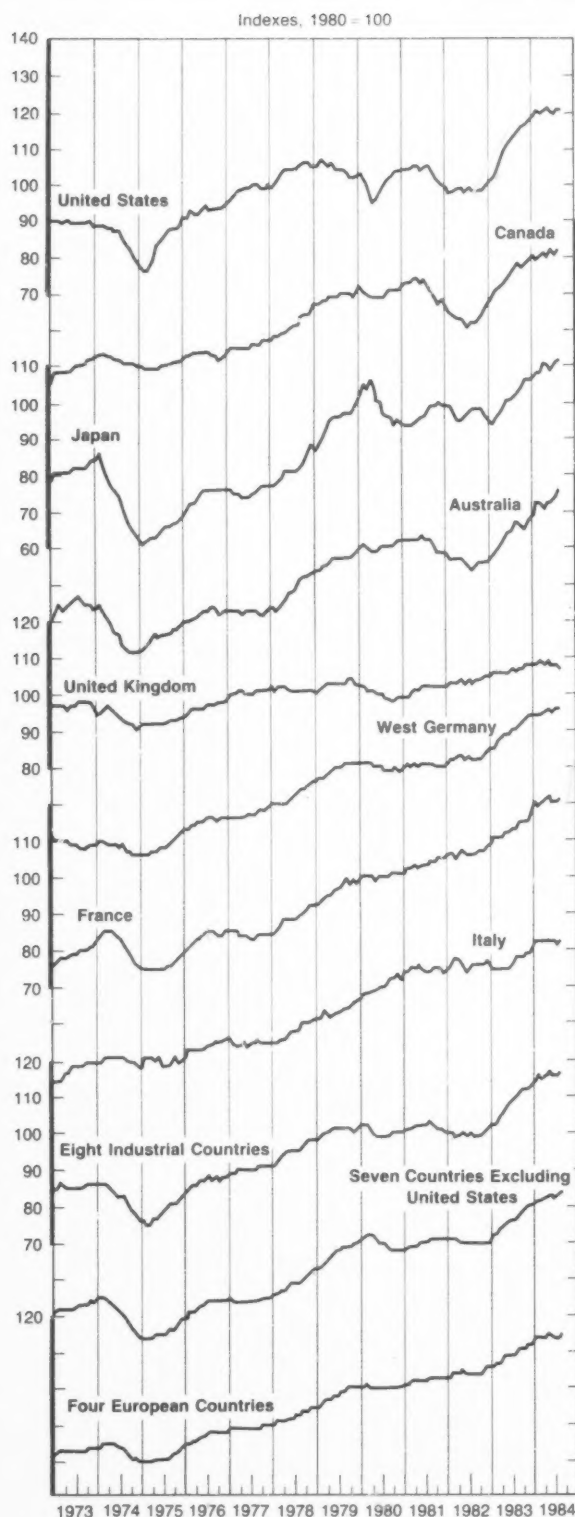
Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP
Source: The Conference Board

Where We're Headed

Leading Business Cycle Indexes



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		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
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Aug.	83	99	113	100	107	92	106	98	110	100	113	97	108	109	102	96	107	100	110	101	107	97	110
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Oct.	83	102	116	101	107	93	107	99	112	99	115	96	108	109	104	98	106	101	112	101	109	97	111
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Feb.	84	106	121	101	109	93	108	101	114	100	119	95	112	112	108	101	112	104	116	102	112	98	114
Mar.	84	106	120	101	110	93	109	100	114	100	120	96	112	111	108	102	112	104	115	102	112	97	114
Apr.	84	108	121	102	111	93	108	100	115	99	121	96	112	112	110	103	111	104	116	102	113	98	114
May	84	108	122	102	110	93	109	100	116	100	122	96	112	112	110	105	112	105	117	102	113	98	115
June	84	110	121	103	112	93	108	98	115	100	120	112	112	109	104	112	105	116	102	112	97	114	
July	84	109	120	104	111	93	108	101	116	100	120	111	113	111	106	114	106	116	103	113	98	114	
Aug.	84	109	121	103	112	92	107	101	116	101	121	112	113	112	105	116	106	117	104	114	99	115	
Sept.	84	110	121																				
Growth Rates, Percent																							
Apr.	83	2	15	2	18	0	3	-1	8	0	6	-5	1	1	1	-12	9	1	9	0	5	-1	5
May	83	5	18	4	17	0	3	1	10	1	7	-4	1	1	6	-12	12	2	11	0	7	0	6
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July	83	8	20	6	18	1	4	-1	9	0	6	1	3	2	7	-5	14	4	13	1	7	0	6
Aug.	83	8	20	6	18	1	2	1	8	0	6	2	5	3	8	-4	16	4	12	2	7	1	6
Sept.	83	10	18	7	17	2	4	2	8	0	8	0	6	3	11	-1	14	5	13	2	9	1	7
Oct.	83	11	18	7	13	3	3	2	9	-2	7	0	4	4	12	3	10	6	13	2	8	1	6
Nov.	83	11	15	6	12	4	3	3	10	-1	7	0	5	4	14	6	7	6	12	3	9	2	6
Dec.	83	12	15	6	10	3	4	3	8	-1	8	-2	5	4	12	9	10	7	11	3	9	2	7
Jan.	84	13	15	5	9	2	3	5	8	0	12	-1	9	4	12	8	11	7	12	3	9	2	8
Feb.	84	13	17	4	7	2	3	4	7	-1	9	-1	9	5	11	8	14	7	12	3	8	2	7
Mar.	84	11	12	3	7	1	4	2	5	-1	9	-1	7	4	10	11	11	6	9	2	8	1	6
Apr.	84	11	10	4	6	1	2	2	6	-2	9	0	6	5	11	11	9	6	9	3	8	1	6
May	84	11	9	3	5	0	2	2	7	0	9	0	6	5	10	12	8	6	8	2	7	1	6
June	84	11	6	4	6	0	1	-3	4	-1	5	4	4	7	8	7	6	5	1	5	-1	4	
July	84	9	4	5	4	-1	1	3	5	1	4	1	4	8	11	10	5	4	3	5	1	3	
Aug.	84	8	5	4	4	-1	-1	3	4	2	5	3	4	8	7	11	5	5	3	5	3	3	
Sept.	84	7	4																				
Ten Year Annual Growth Rate, Percent																							
1969-79		3	3	4	4	2	2	3	3	4	4	3	3	5	5	4	4	3	3	4	4	3	3

THE INTERNATIONAL ECONOMIC INDICATOR SYSTEM

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INTERNATIONAL ECONOMIC SCOREBOARD

DECEMBER, 1984

SUMMARY

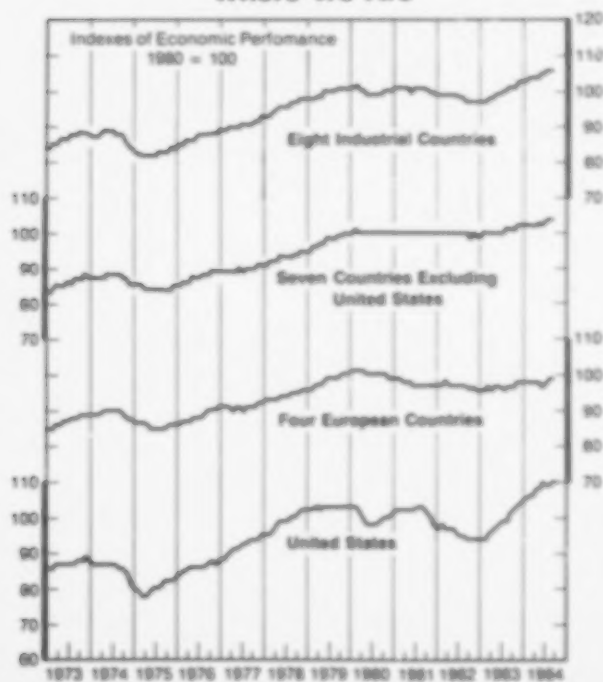
R4105-6

Japan and Australia are neck-and-neck for first place among the leading index growth curves, with 9% and 8% rates, respectively, for September. These results suggest that advances in the economic performance indexes for both countries will persist for some months ahead. In Canada, West Germany, France and Italy, 4 to 6% growth rates in the leading indexes are reported, indicating a modest pace ahead for the performance indexes. On the bottom rung are the United States and the United Kingdom, with leading index rates of 1% and -1%. But the two countries reached this unenviable position by very different routes—the U.S. after achieving a notably rapid advance along the performance trail for the past year and a half, the U.K. after getting its performance index above the 2% trend growth rate for a few months at the end of 1983 and then slumping again.

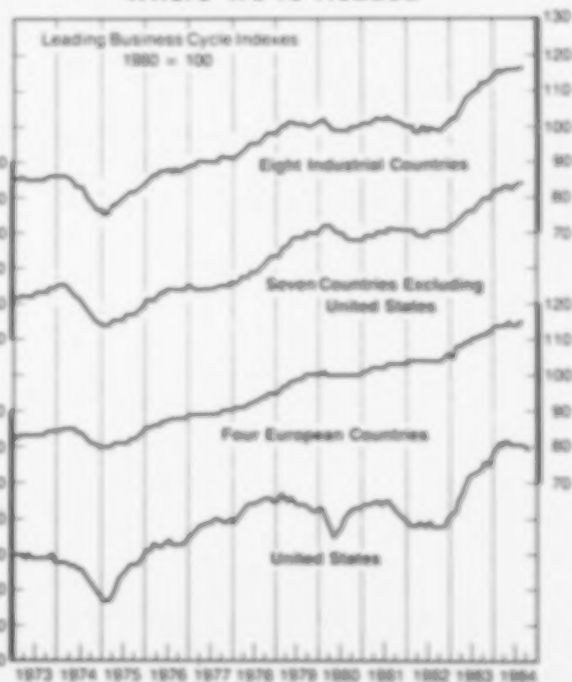
	Ten-year Growth Rate 1969-79	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
United States	3	11	9	6	10	3	1	Expansion slowing	Oct.
Canada	4	3	4	3	7	6	4	Expansion slowing	Sept.
United Kingdom	2	1	1	1	3	0	- 1	Recovery stalling	Sept.
West Germany	3	2	- 3	3	5	3	4	Recovery continuing	Sept.
France	4	0	- 1	1	10	6	6	Recovery continuing	Sept.
Italy	3	0	- 1	0	9	6	4	Recovery getting under way	May/Aug.
Japan	5	4	4	3	10	7	9	Expansion continuing	Sept.
Australia	4	11	9	8	11	6	8	Expansion continuing	Sept.
8 countries	3	6	6	4	9	5	4	Expansion slowing	Sept.
7 countries ex. U.S.	4	2	1	3	8	5	5	Expansion continuing	Sept.
4 European countries	3	1	- 1	2	6	3	3	Recovery getting under way	Sept.

*Annual rate based on ratio of current month's index to average index over the preceding 12 months.

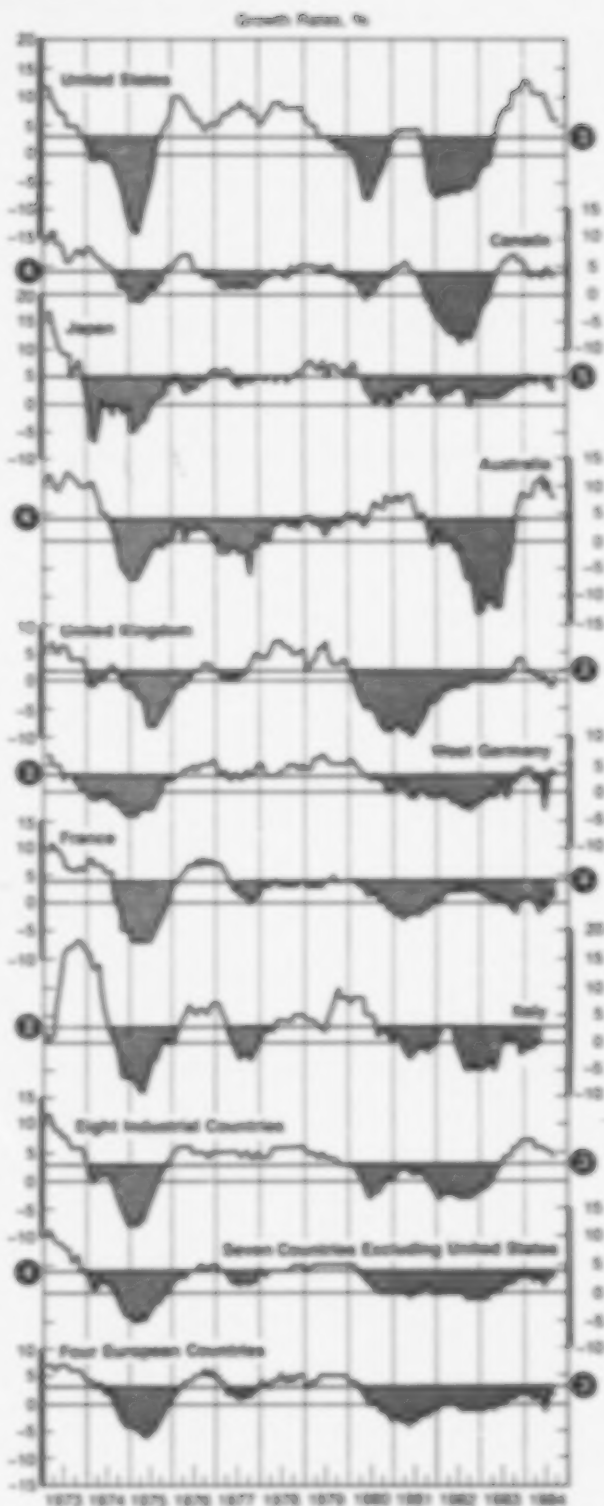
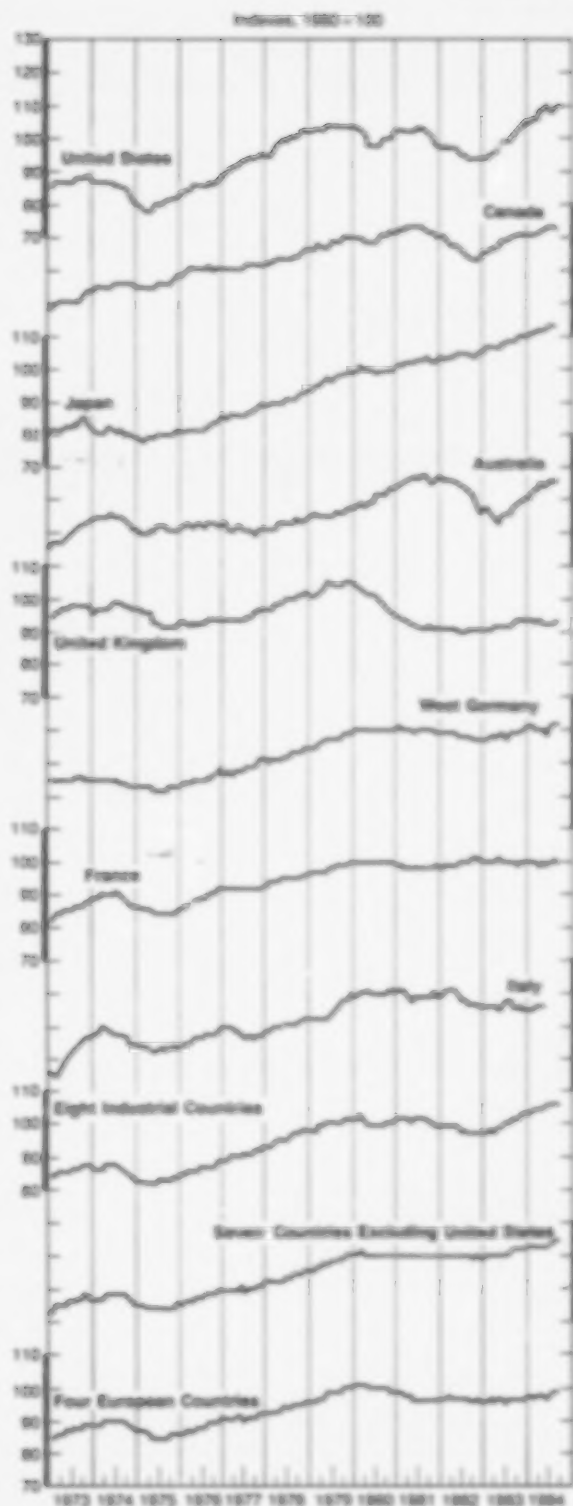
Where We Are



Where We're Headed



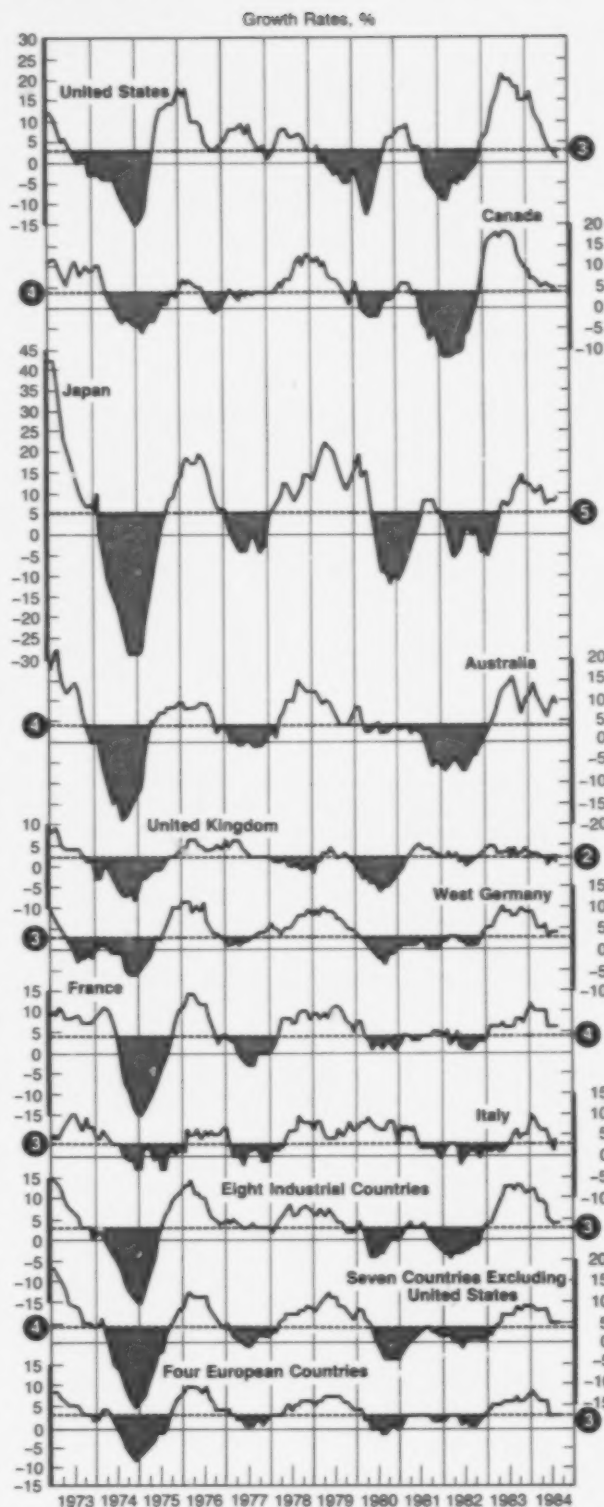
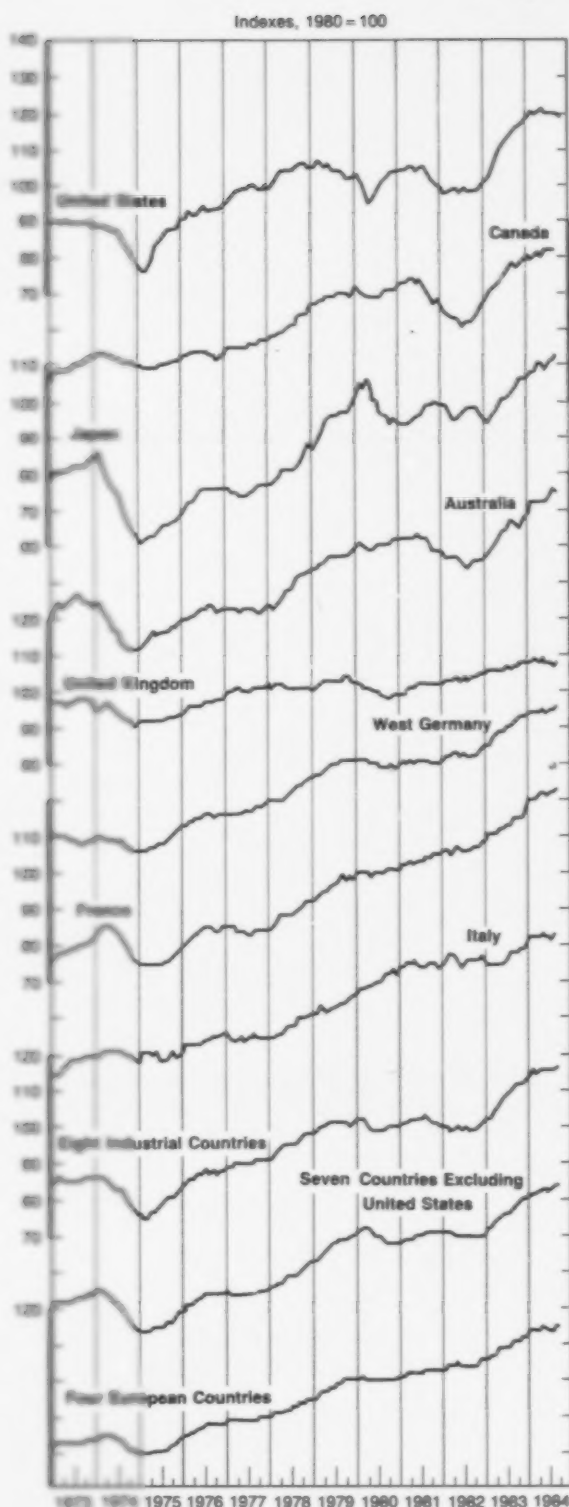
Where We Are Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1980-79 in the index and in real GDP.
Source: The Conference Board

Where We're Headed

Leading Business Cycle Indexes



Note: Horizontal dash lines are average growth rates for 1980-79 in the index and in real GNP.
Source: The Conference Board

IS THE U.S. "GROWTH RECESSION" SPREADING?

After rapid recovery in 1983 and the first half of 1984, U.S. economic growth slowed dramatically. Numerous economic forecasters have speculated that growth in U.S. output will continue to be slow in 1985. In the late 1960s, students of business cycles coined the term "growth recession" to describe a period in which the economy slows sharply but nonetheless still keeps moving forward. Recently the term has been applied to the current U.S. economic slowdown.

Growth recessions are part of a broader analytical tool known as the growth cycle, which is a modification of the concept of the business cycle. It consists of a period of relatively high growth rates in many economic activities followed by a period of similarly widespread low growth rates, which merges into the high growth phase of the next cycle. The dates when economic slowdowns begin and end, referred to as peaks and troughs, are recorded in growth cycle chronologies and are available for each of the countries covered in the *Scoreboard*.

In this issue, we examine real gross national product growth rates for five major industrialized economies in the current growth cycle and in previous ones to determine if the U.S. slowdown is unique or if other countries are experiencing the same thing. In this context, we discuss recent consensus forecasts of growth of real output in 1985 for the five nations reported by a group of forty prominent experts and regularly published in *Blue Chip Economic Worldscan*.

The Timing and Magnitude of Economic Recovery

Chart I depicts the growth rates of real gross national product for the United States, the United Kingdom, West Germany, Japan, and Australia during the current and previous growth recoveries. It shows that economic recovery began in the U.S. in late 1982 and that by mid-1983 the expansion really started to pick up momentum. By late 1983, growth in real output was close to the typical rate for the end of the first year of expansion. In the first half of 1984, however, the growth rates in real GNP became substantially higher than the average rates for comparable stages of earlier expansions. (The railroad track line shows the average behavior during upswings in U.S. growth cycles since the early 1950s.) In the third quarter, as noted above, the growth rate of real GNP dropped sharply. There is a strong probability that June 1984 will be selected as a growth cycle peak for the U.S.

Europe and Japan fared less well in 1983 and early 1984 than did the U.S. In fact, the vigor of the growth in output in this country at that time amazed most foreign observers. The recession of the early 1980s persisted in Japan, the United Kingdom and West Germany through the second or third quarter of 1983. Even after economic recovery commenced in those countries, their advances were relatively slow compared with U.S. developments as well as with their own previous experience. As Dr. Arthur F. Burns, U.S. Ambassador to the Federal Republic of Germany, said in a recent interview: "The vitality, the dynamism of Europe—of the European economy—isn't what it was in the decades immediately following the end of World War II." In contrast, economic growth in Australia was strong from mid-1983 to mid-1984. Developments there look a lot like those in the United States.

Chart 1 shows that all five countries are at that stage of the growth cycle process after which economic growth would be expected to proceed at a more leisurely pace, according to past patterns of behavior. (Note the declining paths taken by the railroad track line.) In each of the countries except Japan there is evidence that that pattern is taking hold, although special factors account for some of the recent sharp cutbacks (strikes in Britain and West Germany, and a drop in farm output in Australia).

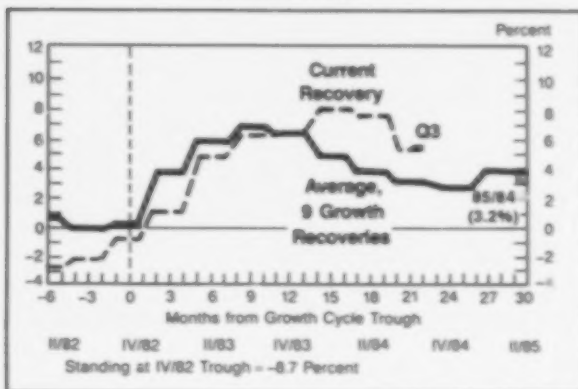
Forecasts of Real GNP for 1985

Forecasts compiled by *Blue Chip Economic Worldscan* show that economists expect relatively slow growth in real GNP for these five countries in 1985. The latest consensus forecasts (the median for the group of 40 in November) are that the growth rates for the five countries will roughly range from 2½ to 4½ percent in 1985. For the U.S., real GNP is projected to be 3.2% higher in 1985 than in 1984, while Japanese GNP will advance 4.3%. British and German growth rates are forecast to be 2.4% and 2.7%, respectively, while the Australian increase is predicted to be 3.6%. The bunching of the growth rates for the five countries for 1985 contrasts sharply with the wide differentials in the actual growth performance in 1983 and 1984.

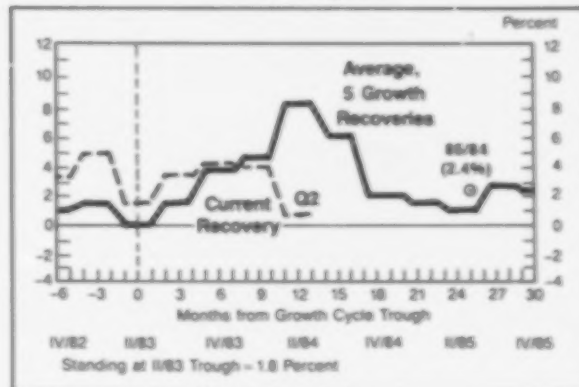
It is apparent that the *Worldscan* respondents are being somewhat conservative in their appraisals of the course of economic growth in West Germany, Japan and Australia in 1985, as compared with the average growth path during previous recoveries. For the U.S. and the U.K., however, the projected growth rates are right in line with past experience.

Real GNP Growth Rates in Current and Previous Growth Cycle Recoveries, Five Countries

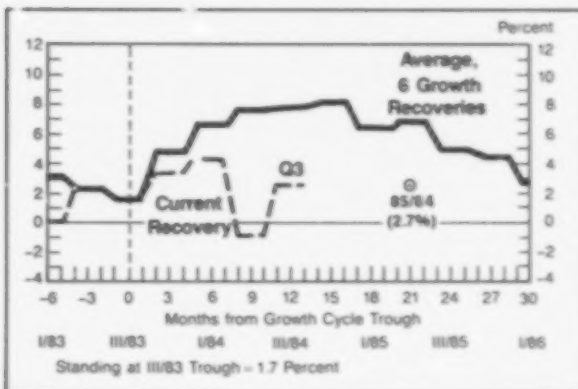
United States



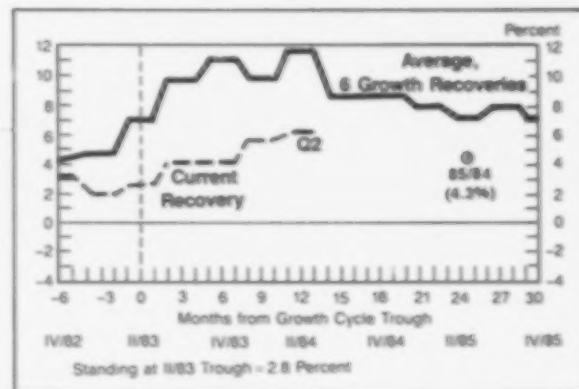
United Kingdom



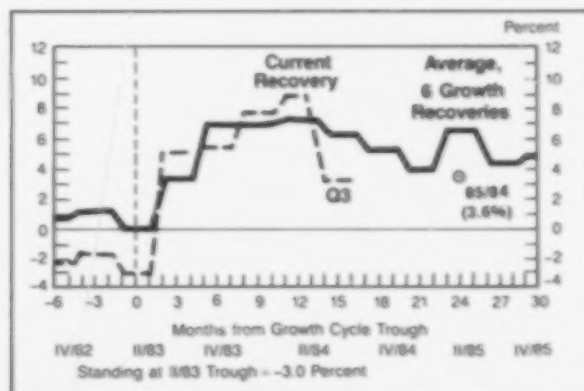
West Germany



Japan



Australia



A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD



The Conference Board

JANUARY, 1985

SUMMARY

R405-6A

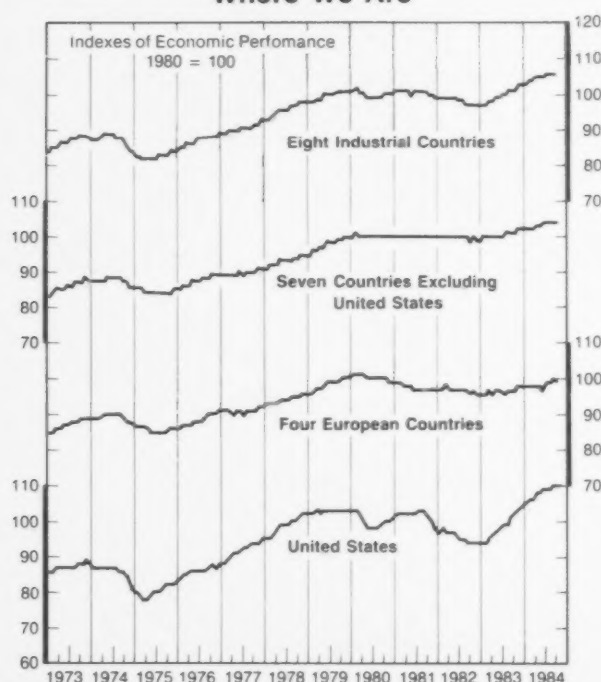
Latest readings show the business cycle taking a slight turn for the better around the world. This conclusion is supported by indexes of both the leading indicators and the economic performance measures.

West Germany has joined Japan and Australia with the fastest rising leading indexes, with annual growth rates in October of 10% for Japan and 7% for Germany and Australia. France's growth rate is close by, at 6%. For the other countries, the leading indexes are signaling slow growth: 3% for Italy and the United States, 2% for Canada, and 1% for the United Kingdom. All the leading index rates are positive, however, and that is true also for the economic performance indexes. In short, economic recovery is world-wide, but the pace ranges widely from slow to rapid. The slight improvement in the latest figures provides an encouraging hint that the sharp slowdown in the U.S. and most other countries in the second half of 1984 may be bottoming out.

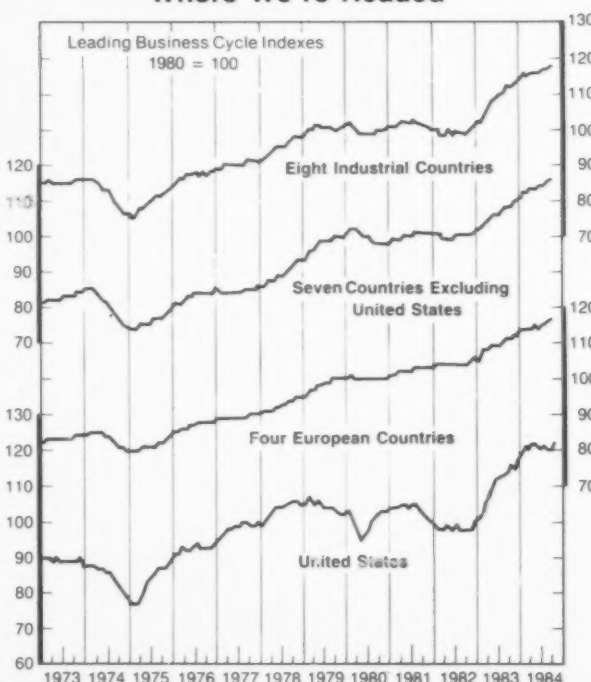
		Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*				
Ten-year Growth Rate 1969-79		6	3	Latest month	6	3	Latest month	Current Reading on the Cycle	Latest Month Covered
		mos. ago	mos. ago		mos. ago	mos. ago			
annual rates, percent									
United States	3	11	8	6	9	4	3	Expansion slowing	Nov.
Canada	4	4	5	3	6	5	2	Expansion slowing	Oct.
United Kingdom	2	1	- 1	1	2	1	1	Slow revival starting	Oct.
West Germany	3	2	3	3	5	4	7	Recovery continuing	Oct.
France	4	- 2	2	2	10	7	6	Recovery continuing	Oct.
Italy	3	0	1	6	7	6	3	Recovery continuing	July/Sept.
Japan	5	5	4	3	11	9	10	Expansion continuing	Oct.
Australia	4	11	10	8	9	7	7	Expansion continuing	Oct.
8 countries	3	6	6	4	9	5	4	Expansion slowing	Oct.
7 countries ex. U.S.	4	3	3	3	8	6	6	Expansion continuing	Oct.
4 European countries	3	1	2	2	6	4	5	Expansion continuing	Oct.

* Annual rate based on ratio of current month's index to average index over the preceding 12 months.

Where We Are

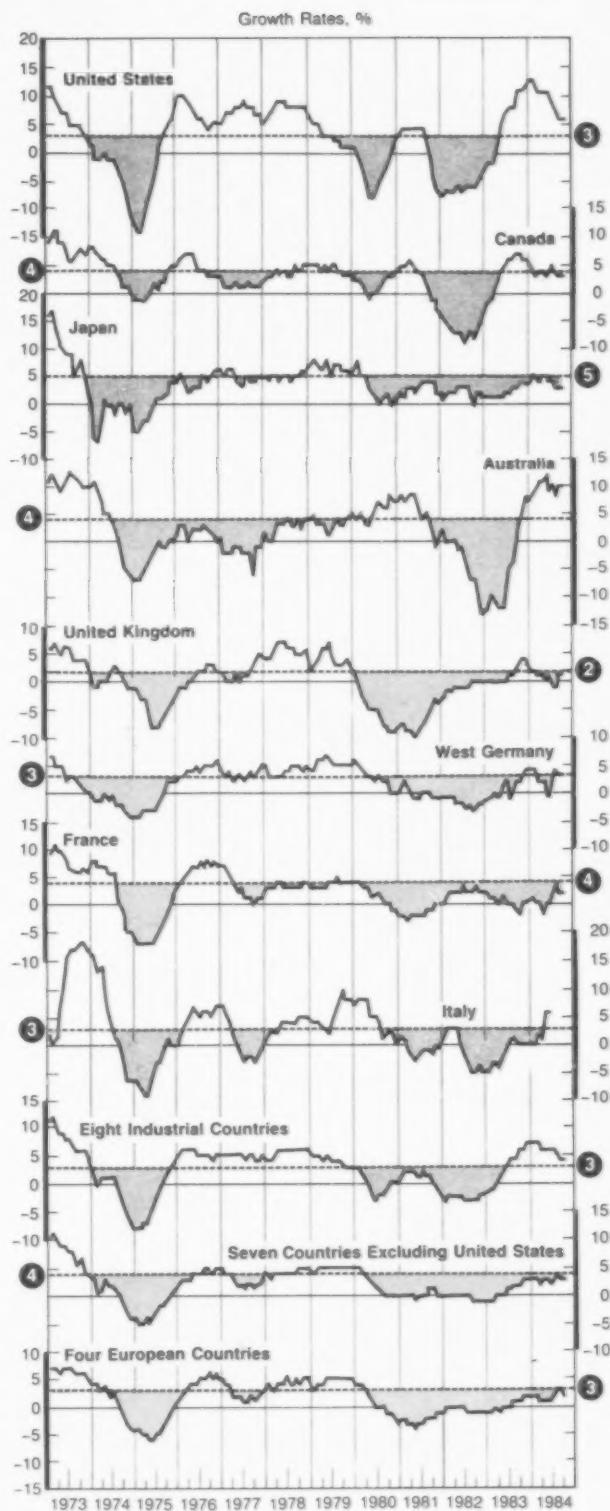
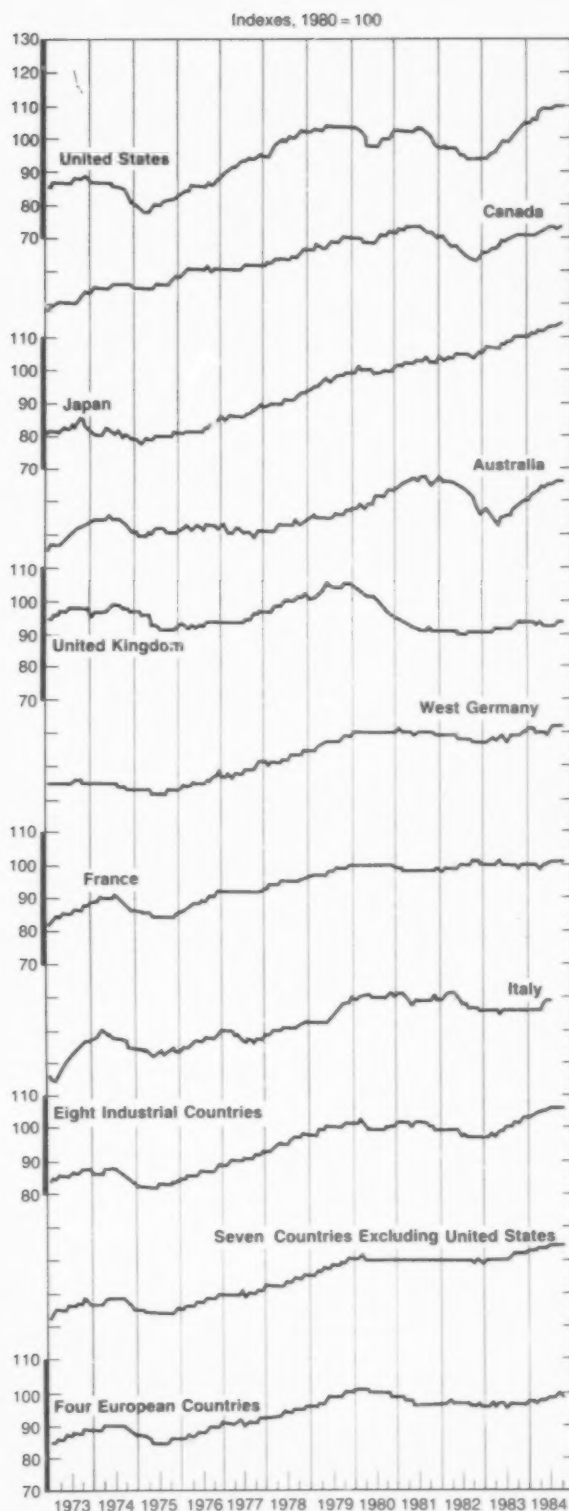


Where We're Headed



Where We Are

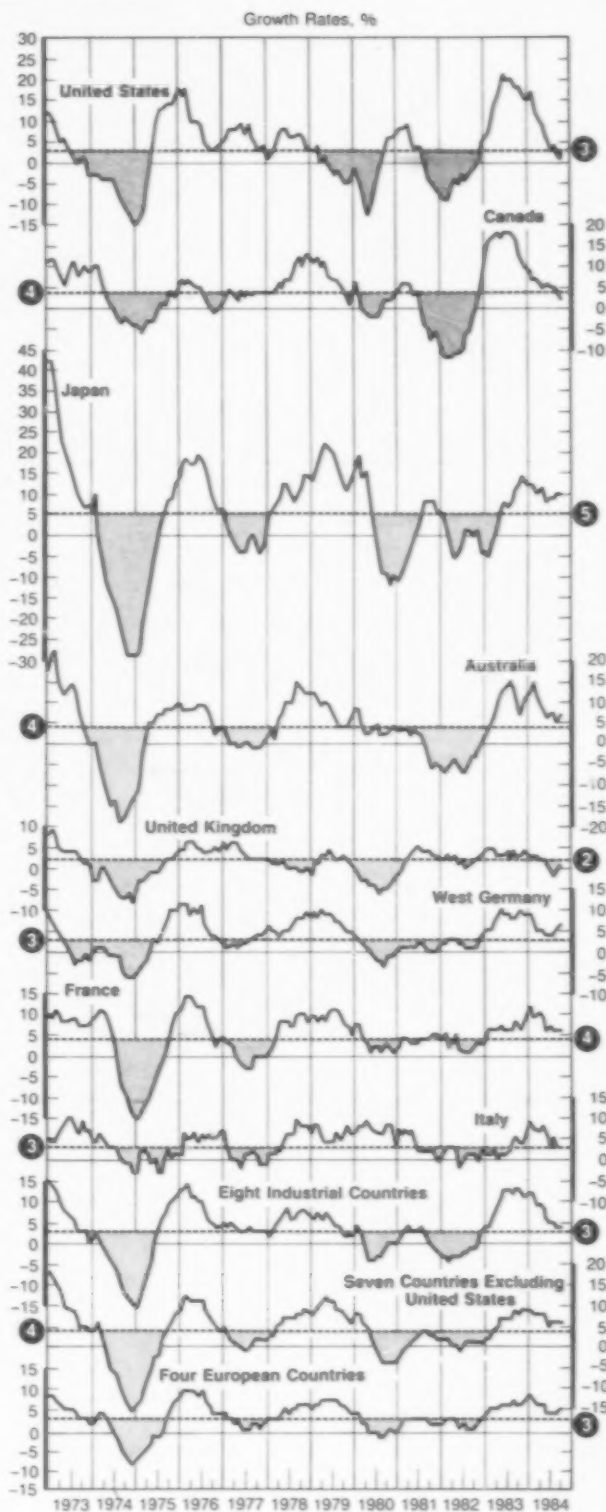
Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP
Source: The Conference Board

Where We're Headed

Leading Business Cycle Indexes



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Source: The Conference Board

INDEXES, EIGHT COUNTRIES, 1983-84

		U.S.		Canada		U.K.		West Germany		France		Italy		Japan		Australia		8 Countries		7 Countries ex. U.S.		4 Countries Europe	
Indexes, 1980 = 100																							
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Apr.	83	96	107	97	102	92	106	97	107	100	111	95	105	107	97	94	101	98	105	100	104	96	108
May	83	97	109	98	103	92	106	98	109	100	112	95	105	107	99	93	103	99	107	100	105	97	108
June	83	98	111	99	104	92	106	99	109	100	112	96	105	108	101	95	104	99	108	100	106	97	108
July	83	99	112	99	105	92	107	97	109	100	113	96	106	108	101	95	105	100	109	100	106	97	109
Aug.	83	99	113	100	107	93	106	98	110	100	113	96	107	109	102	96	106	100	110	101	107	97	109
Sept.	83	101	114	100	108	93	107	99	111	100	115	96	108	109	103	96	106	101	111	101	108	97	110
Oct.	83	102	116	101	107	93	107	99	112	99	115	96	108	110	104	98	106	101	112	101	108	97	111
Nov.	83	103	116	101	108	94	107	99	113	100	115	96	108	110	106	99	105	102	112	102	110	98	112
Dec.	83	104	117	101	109	94	108	100	113	100	117	96	109	110	106	100	108	103	113	102	110	98	112
Jan.	84	105	119	101	110	94	108	101	114	100	120	96	111	110	107	100	110	103	114	102	111	98	114
Feb.	84	106	121	101	109	94	108	101	114	100	119	96	112	111	108	101	112	104	116	102	112	98	114
Mar.	84	106	120	101	110	93	109	100	114	100	120	96	112	111	108	102	112	104	115	102	112	98	114
Apr.	84	108	121	102	111	94	108	100	114	99	121	96	112	112	110	103	112	105	116	103	113	98	114
May	84	108	122	102	110	93	109	100	115	100	122	98	113	112	110	104	112	105	116	103	113	98	115
June	84	109	121	103	112	93	108	99	114	100	121	99	112	112	110	104	111	105	116	103	113	98	114
July	84	109	120	104	112	93	108	101	115	101	122	99	112	113	111	105	113	106	116	104	114	99	115
Aug.	84	109	121	104	112	93	107	102	116	101	122	113	113	112	105	114	106	117	104	114	99	115	
Sept.	84	110	120	103	112	94	108	102	117	101	123	113	113	114	106	113	106	117	104	115	100	116	
Oct.	84	110	120	104	111	94	109	102	118	101	124	114	115	106	114	106	118	104	116	99	117		
Nov.	84	110	122																				
Growth Rates, Percent																							
Apr.	83	2	15	2	18	0	3	-1	8	0	6	-4	0	2	1	-12	9	1	9	0	5	-1	5
May	83	5	18	4	17	0	3	1	10	1	7	-3	1	1	6	-12	12	2	11	0	7	0	6
June	83	7	21	5	18	0	4	2	9	0	6	-1	1	2	8	-8	13	3	13	1	7	0	6
July	83	8	20	6	18	1	4	-1	9	0	6	1	2	2	7	-5	14	4	13	1	7	0	6
Aug.	83	8	20	6	18	2	3	1	8	0	6	1	4	3	8	-4	15	4	12	2	7	1	6
Sept.	83	10	18	7	17	3	4	2	9	-1	8	0	5	3	11	-1	13	5	13	2	9	1	7
Oct.	83	11	18	7	13	3	3	2	9	-2	7	0	4	4	12	3	10	6	13	2	9	1	6
Nov.	83	11	16	6	12	4	3	3	10	0	6	0	4	4	14	5	7	8	12	3	9	2	6
Dec.	83	12	15	6	11	4	4	4	9	0	8	0	5	4	13	8	11	7	11	3	9	2	7
Jan.	84	13	15	5	9	2	3	4	9	1	12	0	9	4	12	7	12	7	12	3	9	2	8
Feb.	84	13	17	4	7	2	3	4	7	0	9	0	8	5	12	8	15	7	12	3	8	2	7
Mar.	84	11	12	3	7	1	3	2	5	0	9	2	7	4	10	11	12	6	9	2	8	1	6
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May	84	11	9	3	5	0	2	2	5	0	9	3	8	5	10	12	8	6	8	3	7	1	6
June	84	11	6	4	6	1	0	-1	4	0	6	6	6	4	8	9	6	6	6	2	5	1	4
July	84	9	3	5	5	-1	1	3	4	2	7	6	3	4	9	10	7	6	5	3	6	2	4
Aug.	84	8	4	4	5	-1	-2	4	4	3	6	5	4	9	8	7	5	5	4	6	3	4	
Sept.	84	7	2	3	4	1	-1	3	5	2	6	3	3	10	8	5	5	4	3	6	3	4	
Oct.	84	6	1	3	2	1	1	3	7	2	6	3	10	8	7	4	4	4	3	6	2	5	
Nov.	84	6	3																				
Ten Year Annual Growth Rate, Percent																							
1969-79		3	3	4	4	2	2	3	3	4	4	3	3	5	5	4	4	3	3	4	4	3	3

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For More Information

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(02) 640 62 40 Telex 63635



INTERNATIONAL ECONOMIC SCOREBOARD

The Conference Board

FEBRUARY, 1985

NEW INDEXES SHOW CYCLICAL VIGOR IN ASIA

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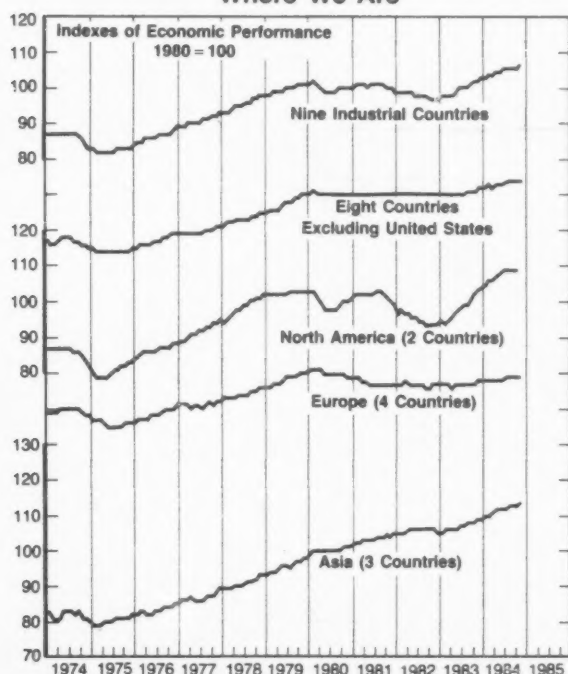
With this issue of the *Scoreboard*, data for Taiwan, R.O.C., are included for the first time. In addition, we have combined Japan, Australia and Taiwan into composite indexes for Asia, to provide a cyclical comparison of that part of the world against Europe (as before, 4 countries) and North America (also new, combining the U.S. and Canada).

The new data for Taiwan reveal a pronounced recent slowing of economic expansion, following a very vigorous recovery. Thanks to continuing cyclical virility in Japan and Australia, however, the three Asian countries taken together show a much stronger current pattern than elsewhere. In Europe, the recovery looks healthy, but not boomy. In sharp contrast, the indexes for North America are languid. The U.S. leading index ended 1984 exactly where it began the year. Most analysts read this as signaling a short-term pause in the U.S. expansion rather than as a portent of impending recession.

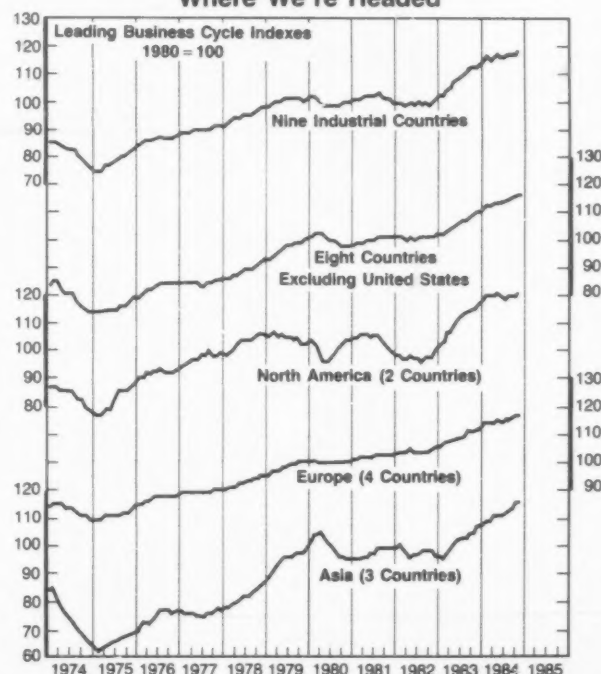
	Ten-year Growth Rate 1969-79	Leading Business Cycle Indexes Growth Rates*			Indexes of Economic Performance Growth Rates*			Current Reading on the Cycle	Latest Month Covered
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
9 countries	4	8	5	4	5	5	4	Expansion slowing	Nov.
8 countries ex. U.S.	4	7	6	6	3	3	3	Expansion continuing	Nov.
4 European countries	3	6	4	5	1	2	2	Expansion continuing	Nov.
3 Asian countries	5	10	9	9	6	4	4	Expansion continuing	Nov.
(2) North America	3	9	4	1	11	7	6	Expansion slowing	Nov.
United States	3	6	1	- 1	11	7	5	Expansion slowing	Dec.
Canada	4	5	5	5	3	4	4	Expansion continuing	Nov.
West Germany	3	5	4	5	2	4	5	Expansion continuing	Nov.
France	4	10	6	7	0	0	- 1	Recovery stalled	Nov.
United Kingdom	2	2	- 1	3	0	- 1	2	Revival continuing	Nov.
Italy	3	6	4	4	0	3	7	Recovery continuing	Aug/Sept.
Japan	5	10	9	9	5	4	4	Expansion continuing	Nov.
Australia	4	8	7	8	12	8	7	Expansion continuing	Nov.
Taiwan, R.O.C.	10	10	8	5	11	6	1	Expansion slowing	Dec.

*Annual rate based on ratio of current month's index to average index over the preceding 12 months.

Where We Are

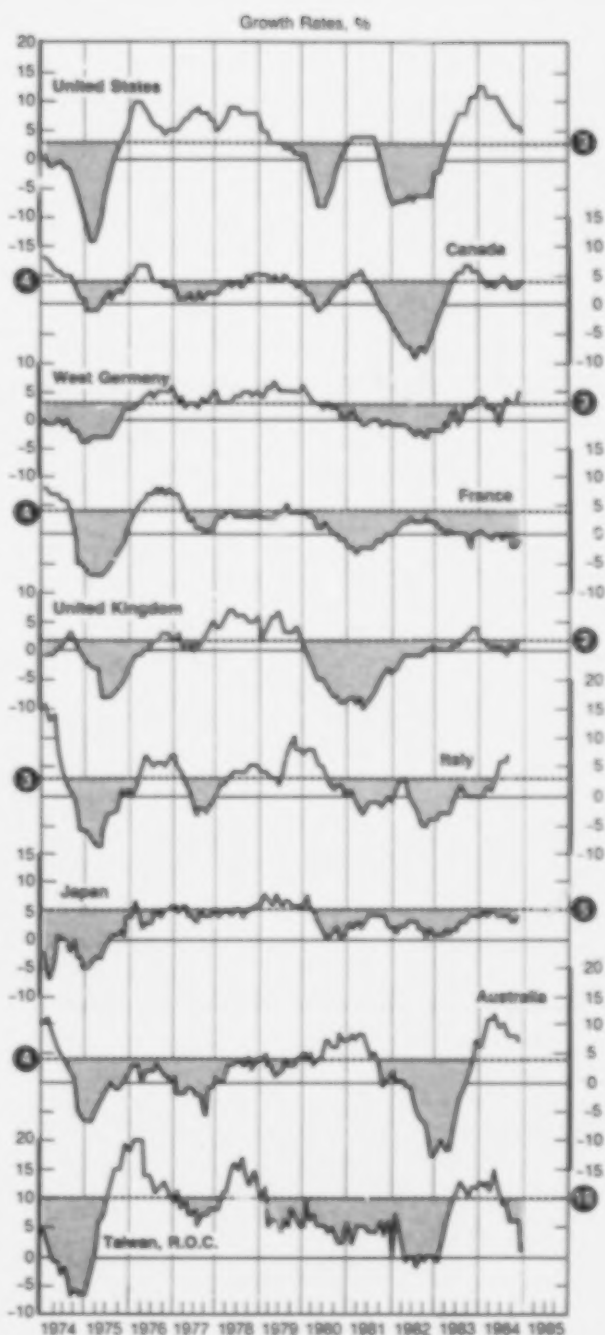
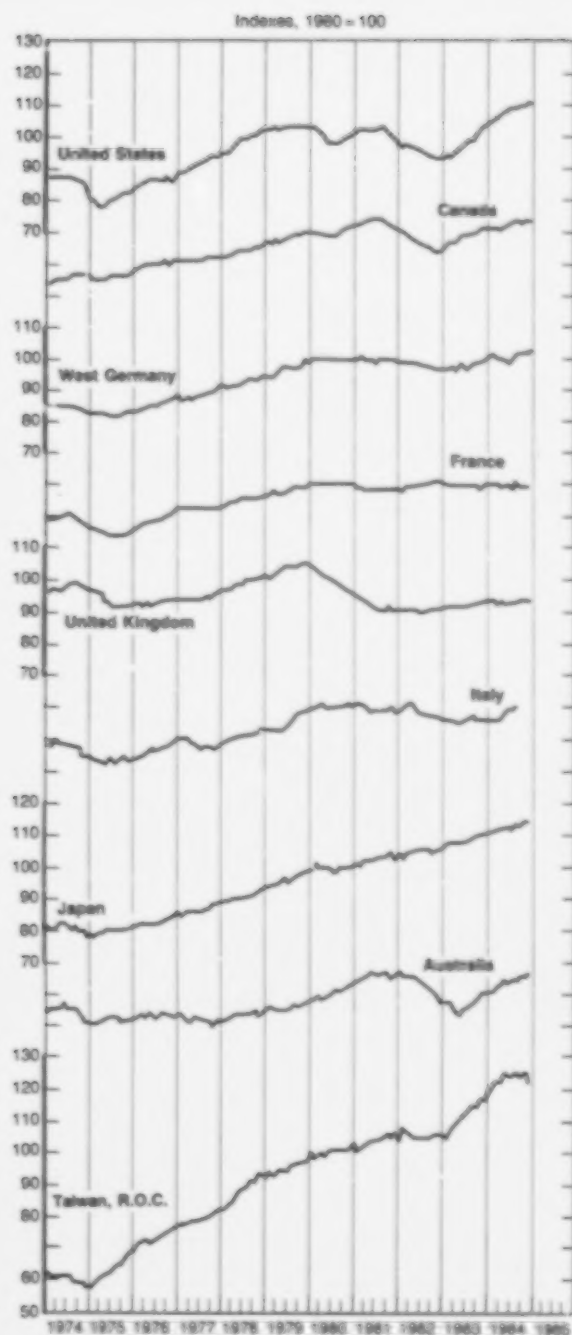


Where We're Headed



Where We Are

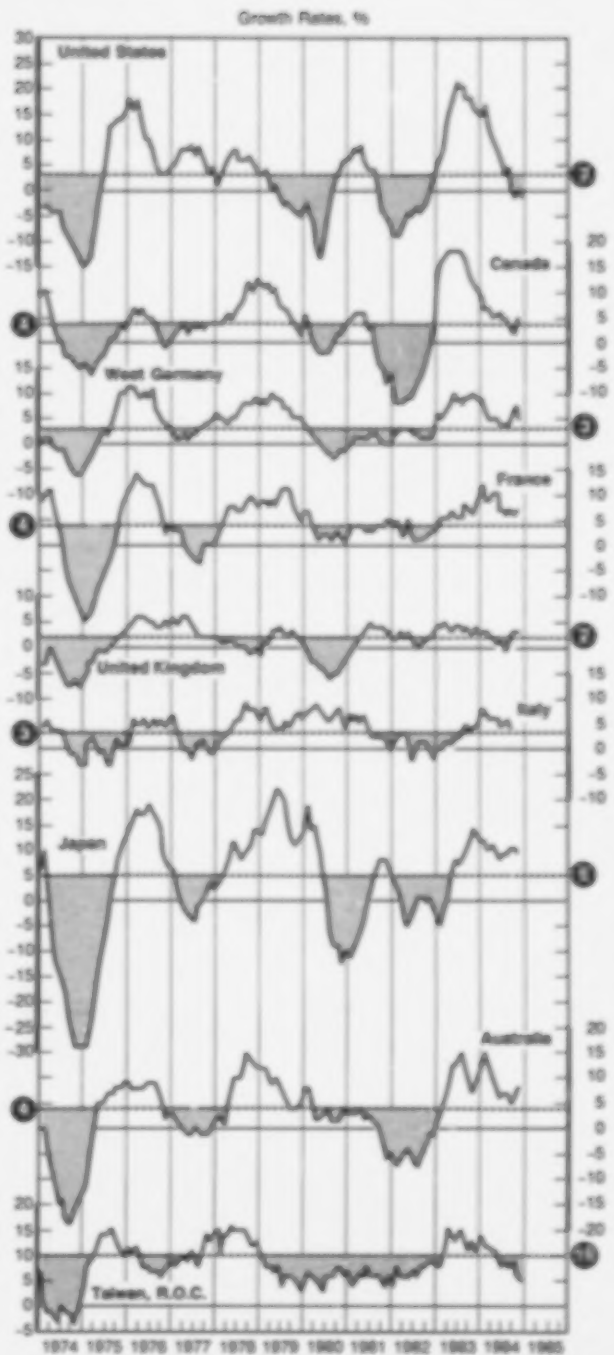
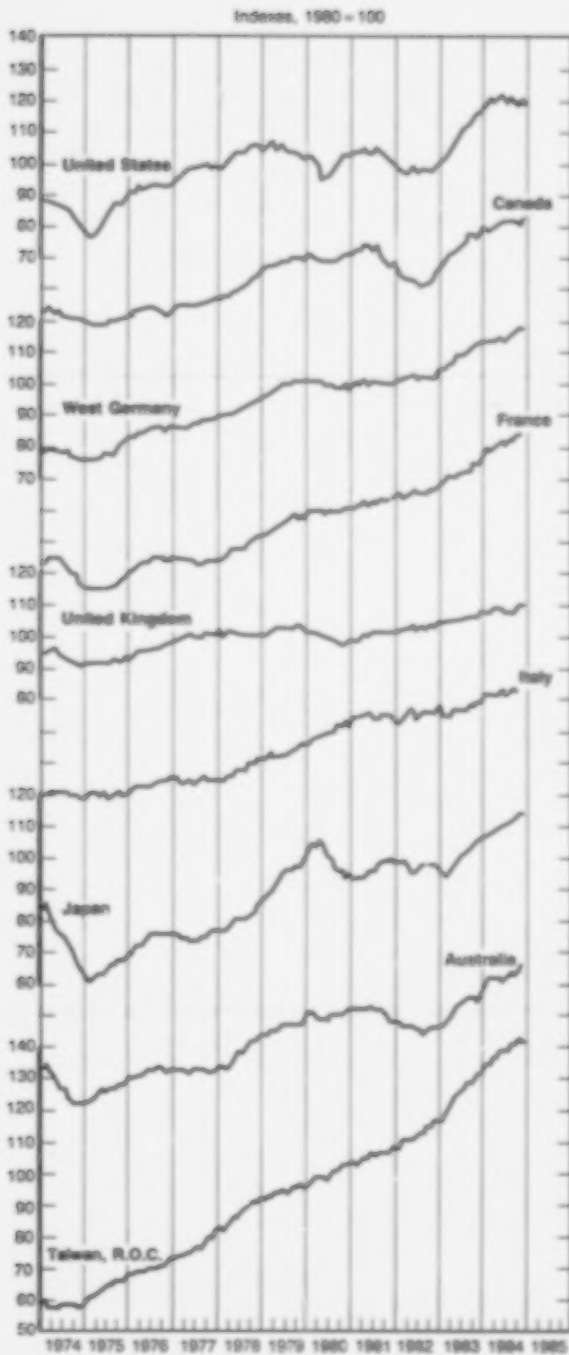
Indices of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1980-79 in the index and in real GNP.
Source: OICR and The Conference Board

Where We're Headed

Leading Business Cycle Indicators



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: OBCI and The Conference Board

LONG-RUN TRENDS IN ECONOMIC GROWTH, FIVE COUNTRIES

The President's new federal budget, issued earlier this month, projects U.S. economic growth at a rate of 4 percent per year from 1985 to 1989. The figure was said to be a compromise between those in the Reagan Administration who thought 5 percent per year was realistic and those who contended that 3 percent was more reasonable. The 4-percent compromise has not raised loud objections among economists, although it seems probable that the projection of 3.3 percent growth made by the Congressional Budget Office would win much wider acceptance within the profession. Almost everyone, however, recognizes how much uncertainty attaches to all such long-term forecasts.

One way to judge how realistic these growth projections are is to compare them with past experience. It is also helpful to compare them with experience in other countries, since what happens to our markets abroad affects growth at home.

In this issue of the *Scoreboard*, then, we take a quick look at trends in real gross national product (GNP) for five major countries, abstracting in each case from the short-run fluctuations associated with the business cycle. (See methodological note below.) The deviations of the actual quarterly data from the trends are useful in analyzing growth recessions and recoveries, but we do not use them for that purpose here. Our purpose is to look at the longer-run shifts in growth rates (see chart), which is what the budget projections purport to represent.

For the United States, the trend rate of growth has been about 2½ percent since 1976, and it has been less than 3½ percent since 1968. Growth reached the 5-percent range during the mid-1960's, following a spell in the 2-to-3-percent area during the 1950's.

Our neighbor to the north followed a somewhat similar pattern, but with higher growth rates until the 1980's. Since 1980, the trend growth rate in Canada has been under 1 percent.

Looking to Japan, again we find a similar pattern, but with higher growth rates throughout the almost four decades shown in the charts. Since 1974, the trend rate of growth in Japan has advanced from about 3½ percent to about 5 percent, where it has been since 1980.

For West Germany we find the trend rate drifting down from above 8 percent in the early 1950's to around 4 percent in the late 1960's and to 2 percent in recent years. In the United Kingdom, real GNP growth rates have been less exuberant than in any of the other countries. Trend rates of 3½ percent were attained during the 1960's, but by 1976 the rate dropped below 1½ percent, where it has remained to date.

What these historical data suggest is that if the United States is able to achieve a 4-percent growth rate during the next four years, it will be doing quite well relative to its own past performance and also as compared with other countries except Japan. Our trend calculation does not yet show any acceleration in the U.S. growth rate, as it does in the case of Japan. Moreover, we have not been getting much assistance from other countries in achieving faster growth, again with the exception of Japan, as we would if the other countries were already tracking a rising growth-rate trend.

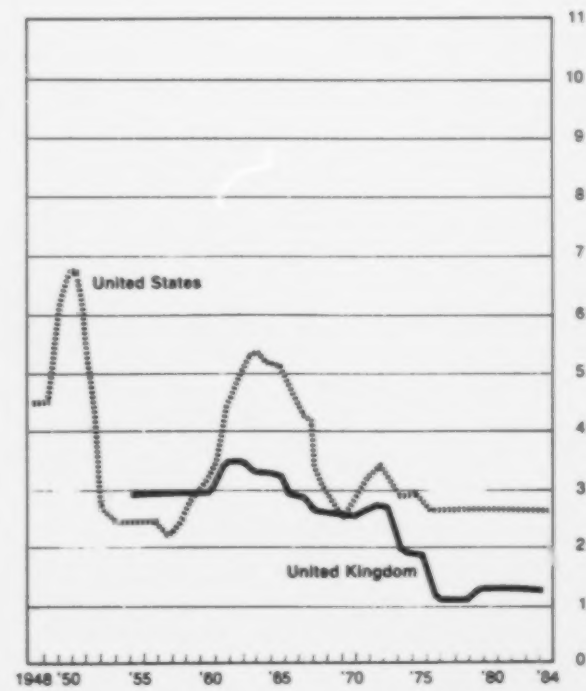
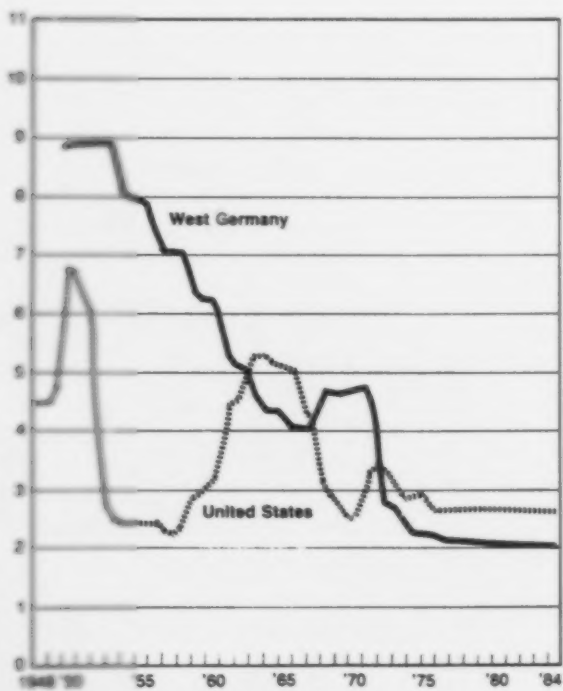
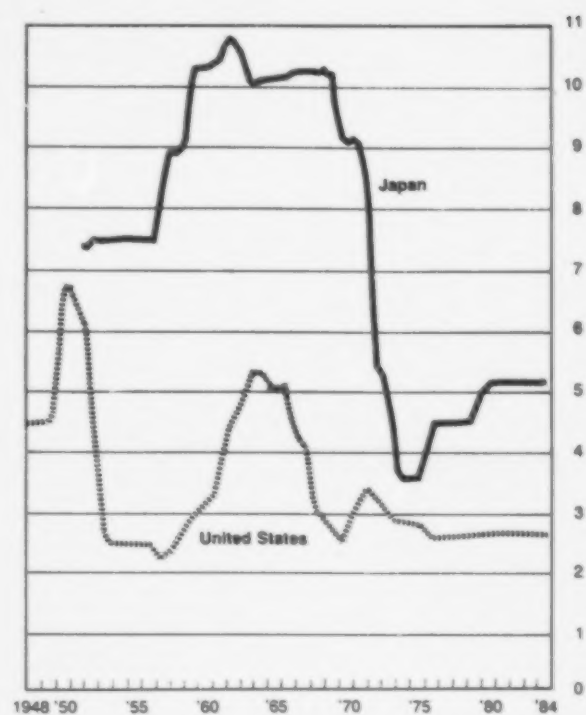
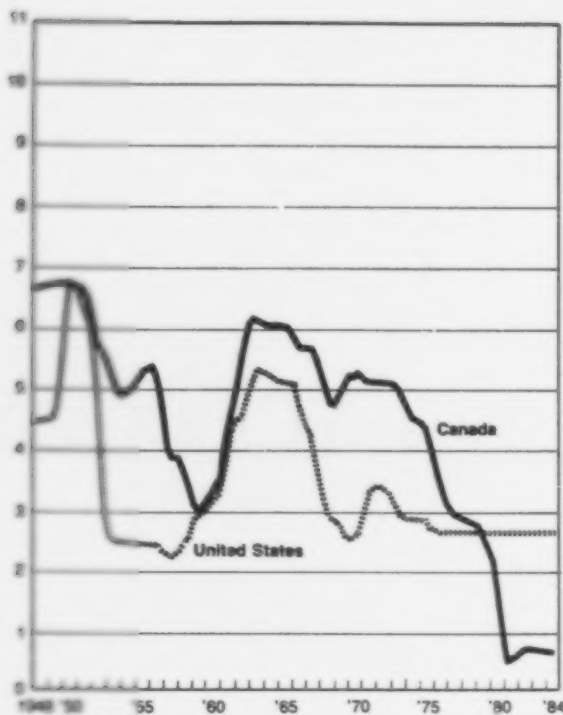
This does not mean that 4 percent growth is impossible. The United States has been a locomotive before and can be one again. So far, however, our trend measures do not reveal much statistical coal under the boiler.

A Methodological Note

We use a method of calculating growth trends that has been employed for the past ten years or so, with recent modifications developed by the Center for International Business Cycle Research. This method eliminates the effect of business-cycle movements by using averages of GNP running from each country's growth cycle peak to its trough, and from the trough to the subsequent peak. These "phase-averages" are smoothed by taking a two-phase moving average, and these in turn are regarded as points on the trend line, centered at the midpoint of the period covered by each successive pair of phases. To deal with the incomplete phase at the end of a series (for example, the current U.S. recovery, which dates from the fourth quarter of 1982 but has not yet ended) estimates are made of what the phase average would be if it resembled preceding completed phases. These estimates are incorporated in the trend to bring it up to date.

Trend Rates of Growth in Real GNP

Percent Per Year



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A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD



The Conference Board

MARCH, 1985

SUMMARY

4/26/85 R4105-6A

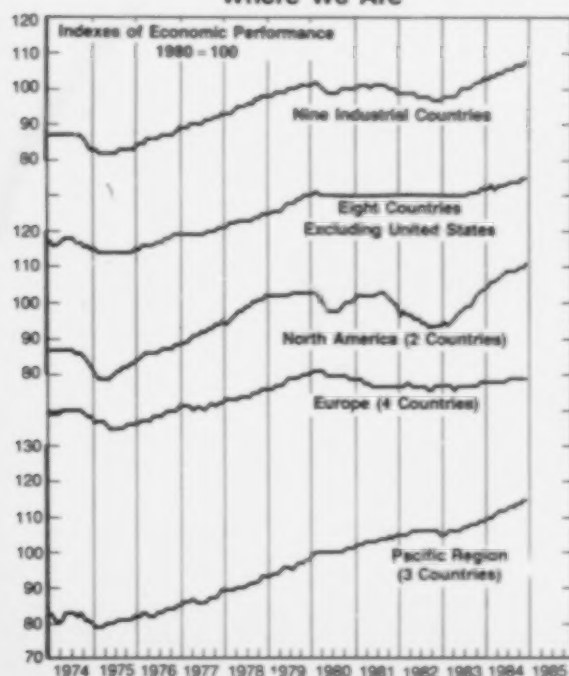
The leading indexes for five of the nine countries covered by the Scoreboard are now registering cyclically vigorous growth rates of 5% per year or better. Three of these front-runners are in the Pacific Region: Japan, Australia and Taiwan, R.O.C. West Germany and the United Kingdom have also joined the 5% or above group, finally swinging up and out of the doldrums that held them back last year. Canada, Italy, France and the United States are in the 4% to 1% range on the growth ladder—moderate but still positive.

Although growth rates in some countries—notably the United States—have slowed, in virtually all countries the leading indexes themselves are at or above their highs during the past year. The composite leading index for all nine countries reached its all-time high at the end of last year, and so did the nine-country index of economic performance. That is both a measure of and justification for optimism about continued expansion of the world's industrial economies.

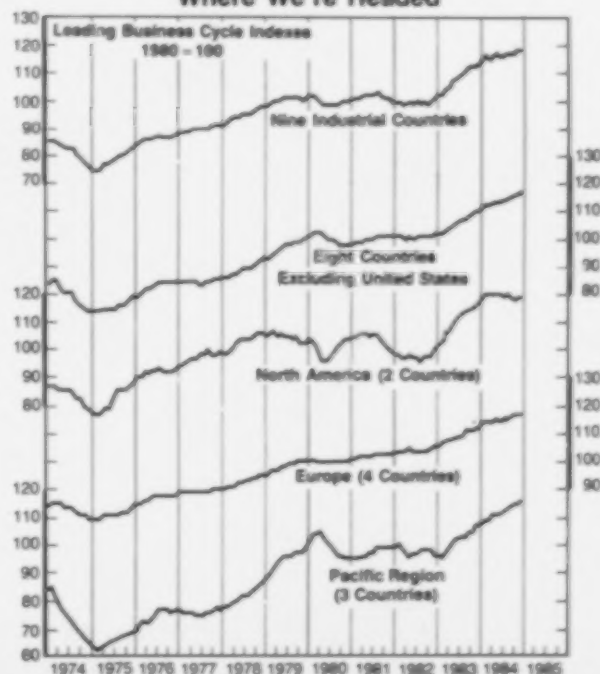
	Ten-year Growth Rate 1969-79	Leading Business Cycle Indexes Growth Rates*			Indexes of Economic Performance Growth Rates*			Current Reading on the Cycle	Latest Month Covered
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
9 countries	4	6	4	3	6	5	4	Expansion slowing	Dec.
8 countries ex. U.S.	4	6	6	6	3	3	3	Expansion continuing	Dec.
Europe (4)	3	4	4	5	0	2	2	Expansion continuing	Dec.
Pacific Region (3)	5	8	9	9	6	5	5	Expansion continuing	Dec.
North America (2)	3	6	2	-1	11	7	6	Expansion slowing	Dec.
United States	3	3	-1	-1	9	6	5	Expansion slowing	Jan.
Canada	4	6	4	4	4	4	5	Expansion continuing	Dec.
West Germany	3	4	5	6	-1	3	3	Expansion continuing	Dec.
France	4	7	7	3	-1	-1	-1	Recovery stalled	Dec.
United Kingdom	2	1	1	5	0	1	3	Revival continuing	Dec.
Italy	3	6	4	4	2	6	8	Recovery continuing	Sept.
Japan	5	8	10	9	5	4	5	Expansion continuing	Dec.
Australia	4	6	5	5	9	8	8	Expansion continuing	Dec.
Taiwan, R.O.C.	10	8	9	6	9	6	6	Expansion slowing	Jan.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

Where We Are

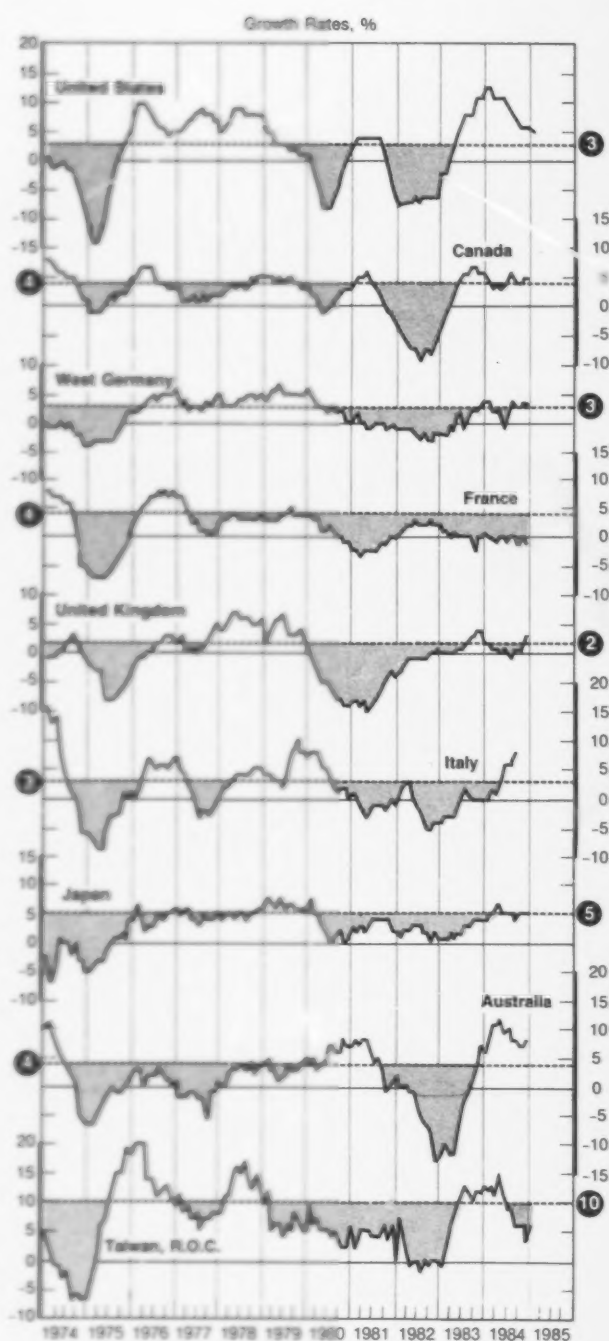
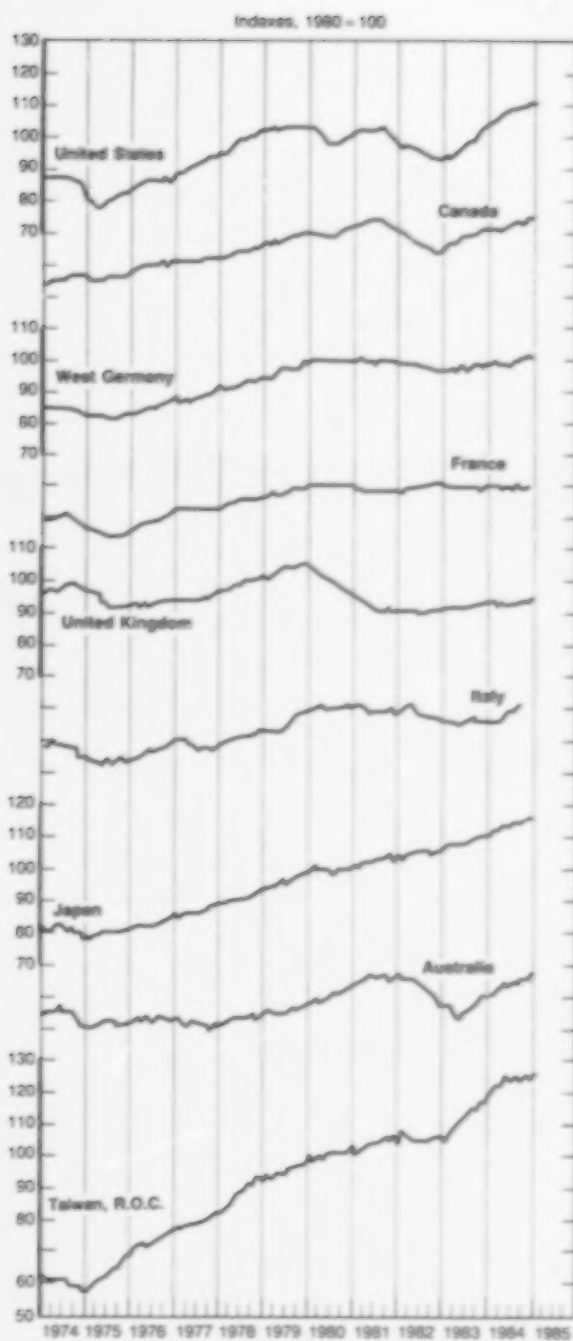


Where We're Headed



Where We Are

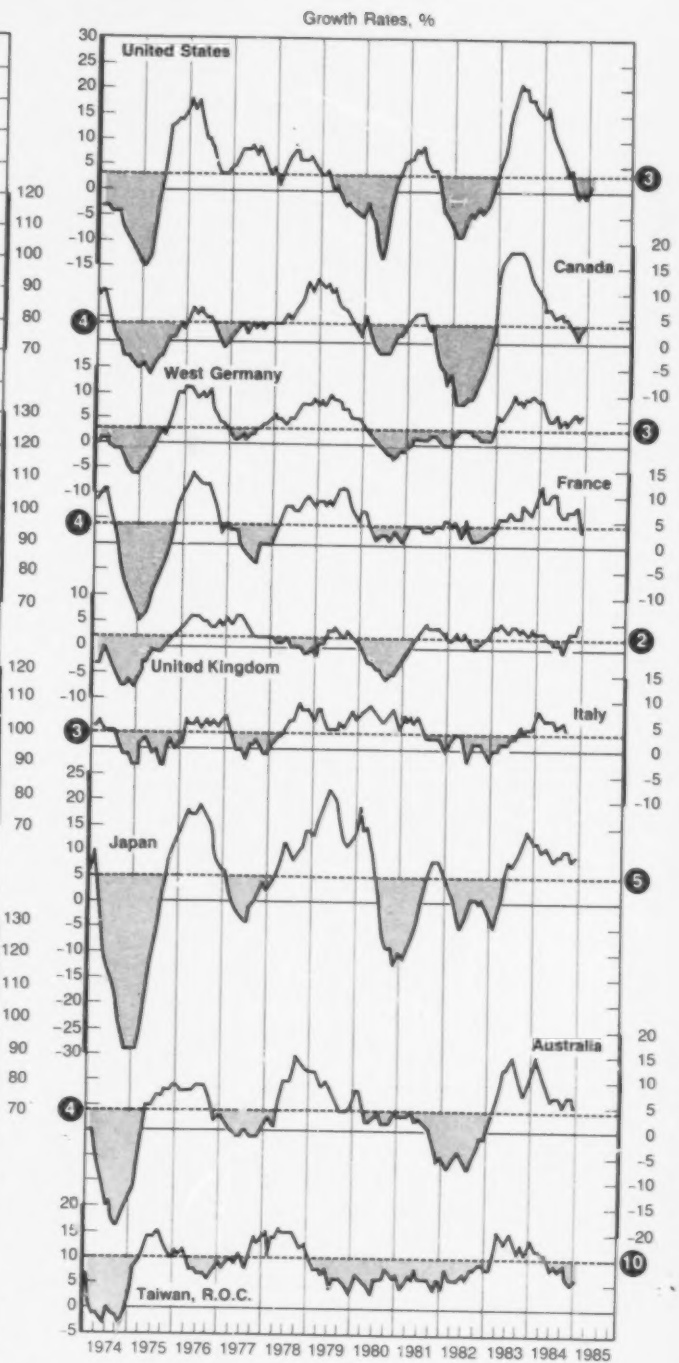
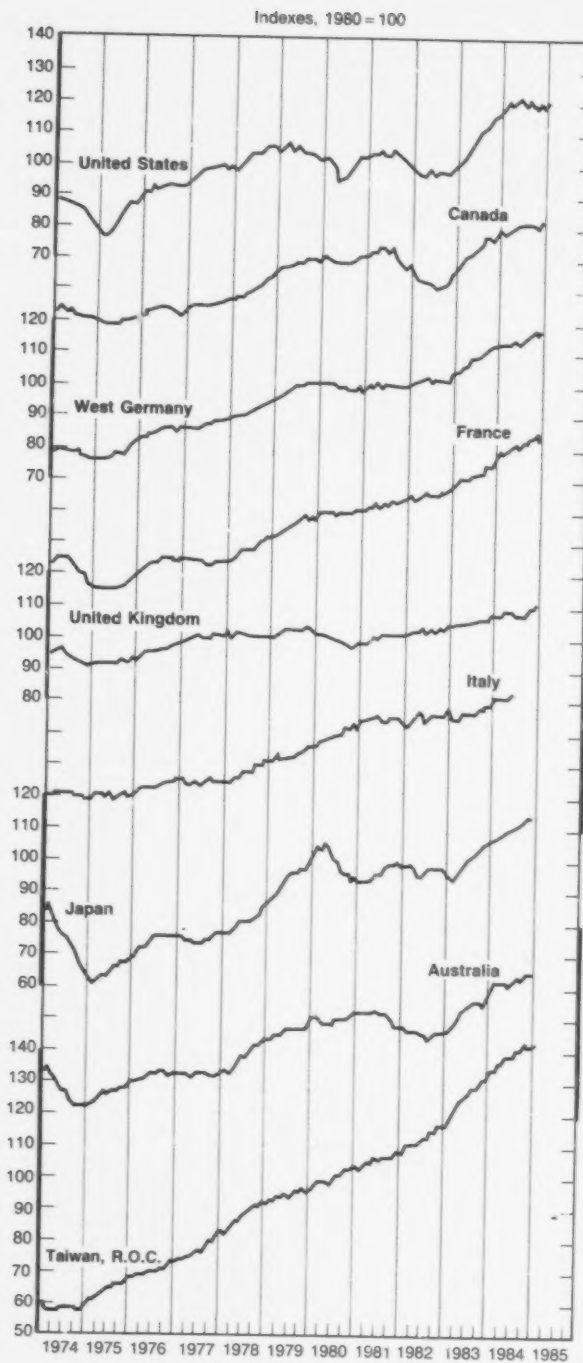
Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBCR and The Conference Board

Where We're Headed

Leading Business Cycle Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP
 Sources: CIBCR and The Conference Board

INDEXES, NINE COUNTRIES, 1983-85

		U.S.		Canada		West Germany		France		Italy		U.K.		Japan		Australia		Taiwan, R.O.C.	
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Indexes, 1980 = 100																			
Nov.	83	103	116	101	108	98	112	100	115	96	109	94	107	110	106	99	105	116	132
Dec.	83	104	117	101	109	99	113	100	117	95	109	94	108	110	106	100	108	116	132
Jan.	84	105	119	101	109	99	113	100	119	96	112	94	108	110	107	100	110	118	135
Feb.	84	106	121	101	109	100	113	100	119	96	112	94	108	112	108	101	112	119	135
Mar.	84	106	120	101	110	99	113	100	120	96	112	93	109	112	108	102	112	121	137
Apr.	84	108	121	102	111	99	114	99	121	96	112	94	108	113	110	103	112	121	137
May	84	108	121	102	111	99	115	100	122	98	113	93	109	113	110	104	112	124	139
June	84	109	121	103	112	98	114	99	121	99	112	93	108	113	110	104	112	123	139
July	84	109	120	104	112	100	115	100	122	99	113	93	108	114	111	105	113	123	139
Aug.	84	109	121	104	112	100	115	100	121	100	114	93	108	114	112	105	114	124	141
Sept.	84	110	120	104	112	101	116	99	123	101	114	94	109	114	113	106	113	123	141
Oct.	84	110	119	104	111	101	118	99	124			94	110	115	114	106	114	124	143
Nov.	84	111	120	105	112	102	117	100	125			94	110	116	114	106	115	125	142
Dec.	84	111	119	105	113	101	118	99	123			95	111	116	116	108	115	124	142
Jan.	85	111	121															126	143

Growth Rates, Percent

Nov.	83	11	16	6	12	3	10	0	6	0	4	4	3	4	14	5	7	12	13
Dec.	83	12	15	6	10	3	9	0	8	0	4	4	4	4	12	8	1	12	11
Jan.	84	13	15	5	9	4	8	1	12	0	8	2	3	4	12	7	12	13	14
Feb.	84	13	16	3	7	5	7	0	9	0	7	2	3	5	11	8	15	12	12
Mar.	84	11	12	3	7	2	5	0	9	2	6	1	3	5	10	11	12	13	12
Apr.	84	11	10	4	7	2	5	-1	10	1	6	1	2	6	11	11	9	11	11
May	84	11	9	3	5	2	6	-1	10	3	6	0	2	5	9	12	8	14	11
June	84	11	6	4	6	-1	4	-1	7	6	4	0	1	5	8	9	6	11	10
July	84	9	3	6	5	3	5	0	6	6	5	0	1	5	9	10	7	9	8
Aug.	84	8	4	5	5	3	4	0	6	7	6	-1	-1	5	9	8	7	9	9
Sept.	84	7	1	4	4	3	5	-1	7	8	4	1	1	4	10	8	5	6	8
Oct.	84	6	-1	4	1	4	6	-1	7			1	3	5	10	7	7	6	9
Nov.	84	6	0	5	3	4	5	0	8			2	3	5	8	7	7	6	6
Dec.	84	6	-1	5	4	3	6	-1	3			3	5	5	9	8	5	3	5
Jan.	85	5	1															6	6

Ten Year Annual Growth Rate, Percent

1969-79	3	3	4	4	3	3	4	4	3	3	2	2	5	5	4	4	10	10
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		9 Countries		8 Countries ex. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
Indexes, 1980 = 100											
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Nov.	83	102	112	102	110	102	115	97	111	109	107
Dec.	83	103	113	102	110	104	116	97	112	109	107
Jan.	84	103	114	102	111	105	118	98	113	110	108
Feb.	84	104	115	102	112	106	120	98	113	111	109
Mar.	84	104	115	102	112	106	120	97	114	111	109
Apr.	84	105	116	103	113	107	120	97	114	112	111
May	84	105	116	103	113	108	120	98	115	112	111
June	84	106	116	103	113	109	120	97	114	112	111
July	84	106	116	104	114	109	119	98	115	113	112
Aug.	84	106	117	104	114	109	120	98	115	113	113
Sept.	84	106	117	104	115	109	119	99	116	114	114
Oct.	84	107	117	104	116	110	118	99	117	114	115
Nov.	84	107	118	105	116	110	119	99	117	115	115
Dec.	84	108	118	105	117	111	119	99	117	115	116

Growth Rates, Percent

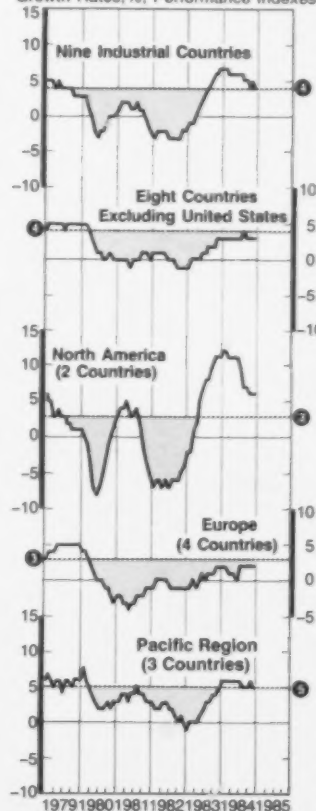
Nov.	83	6	12	3	9	11	15	2	6	4	13
Dec.	83	7	11	3	9	11	14	2	7	5	12
Jan.	84	7	12	3	9	12	15	2	8	5	12
Feb.	84	7	12	3	8	12	15	2	7	6	12
Mar.	84	6	9	3	8	11	11	1	6	6	10
Apr.	84	6	9	3	8	11	10	1	6	6	11
May	84	6	8	3	7	11	9	1	6	6	9
June	84	6	6	3	6	11	6	0	4	6	8
July	84	6	5	3	6	9	3	2	4	6	9
Aug.	84	5	5	4	6	7	4	2	4	5	9
Sept.	84	5	4	3	6	7	2	2	4	5	9
Oct.	84	4	3	3	6	6	-1	2	5	5	9
Nov.	84	5	3	3	6	6	0	2	5	6	8
Dec.	84	4	3	3	6	6	-1	2	5	5	9

Ten Year Annual Growth Rate, Percent

1969-79	4	4	4	4	3	3	3	3	5	5
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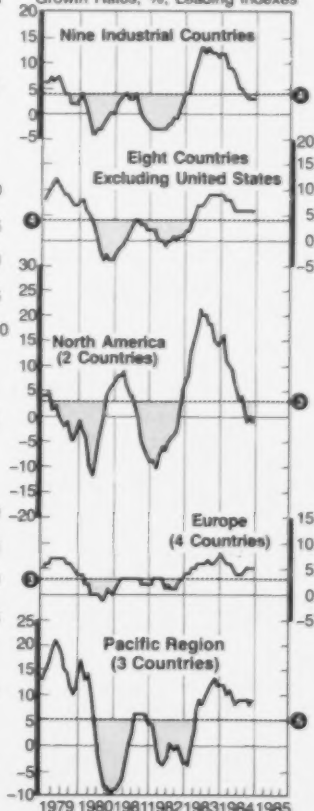
Where We Are

Growth Rates, %, Performance Indexes



Where We're Headed

Growth Rates, %, Leading Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBC and The Conference Board



APRIL, 1985

SUMMARY

R4105-6A

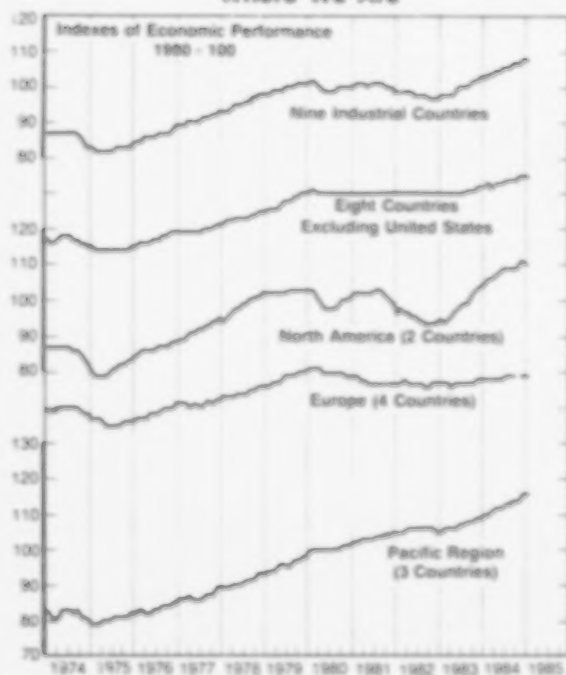
The leading economic indexes for nine industrial nations continued to advance early this year, some countries smartly, others leisurely. At the head of the list with growth rates of 5% to 9% are Japan, Taiwan, Australia, and the United Kingdom. Slower advances, in the range of 1% to 3%, were recorded by the leading indexes for France, Italy, the United States, Canada, and West Germany. This cyclical expansion in the Pacific region continues to outpace Europe and North America—and this holds true for the economic performance indexes as well as the leaders.

With the "Summit" conference of Western leaders scheduled to get underway shortly in Bonn, the abrupt slowdown in the growth rate of the leading index for West Germany is worth separate mention: After reaching a new record high in December, the index fell back two points in January. Although this is a large movement, it is too short-lived to indicate whether or not a change in cyclical direction has taken place.

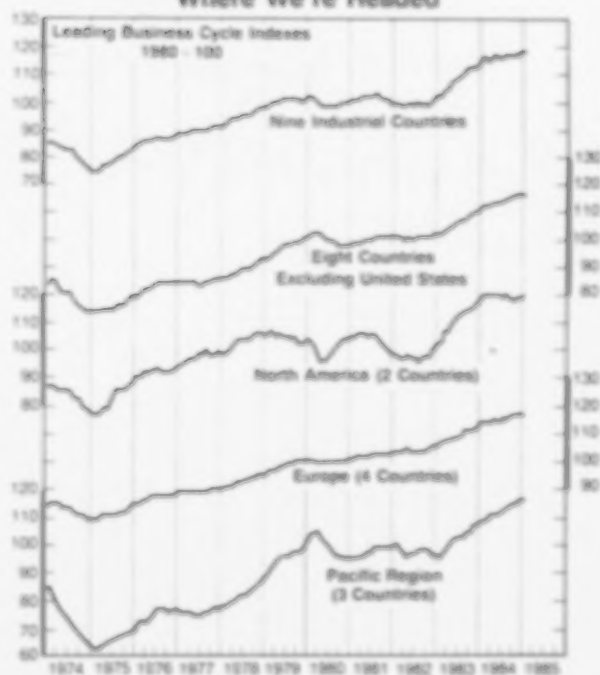
Direction has taken place.		Leading Business Cycle Indexes Growth Rates*			Indexes of Economic Performance Growth Rates*			Current Reading on the Cycle	Latest Month Covered
Ten-year Growth Rate 1969-79		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
9 countries	4	5	3	3	6	4	4	Expansion slowing	Jan.
8 countries ex. U.S.	4	6	6	5	4	4	3	Expansion continuing	Jan.
Europe (4)	3	4	5	3	2	2	2	Expansion continuing	Jan.
Pacific Region (3)	5	9	8	8	6	6	6	Expansion continuing	Jan.
North America (2)	3	3	0	1	9	6	4	Expansion slowing	Jan.
United States	3	4	-1	2	8	6	3	Expansion slowing	Feb.
Canada	4	5	1	2	6	4	3	Expansion continuing	Jan.
West Germany	3	5	6	1	3	4	5	Expansion continuing	Jan.
France	4	7	7	3	0	-1	0	Recovery stalled	Dec.
United Kingdom	2	1	2	5	-1	1	1	Recovery continuing	Jan.
Italy	3	4	4	2	3	7	3	Expansion continuing	Dec./Nov.
Japan	5	9	8	9	5	5	6	Expansion continuing	Jan.
Australia	4	7	7	5	10	7	7	Expansion continuing	Jan.
Taiwan, R.O.C.	10	9	6	6	9	6	4	Expansion slowing	Feb.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

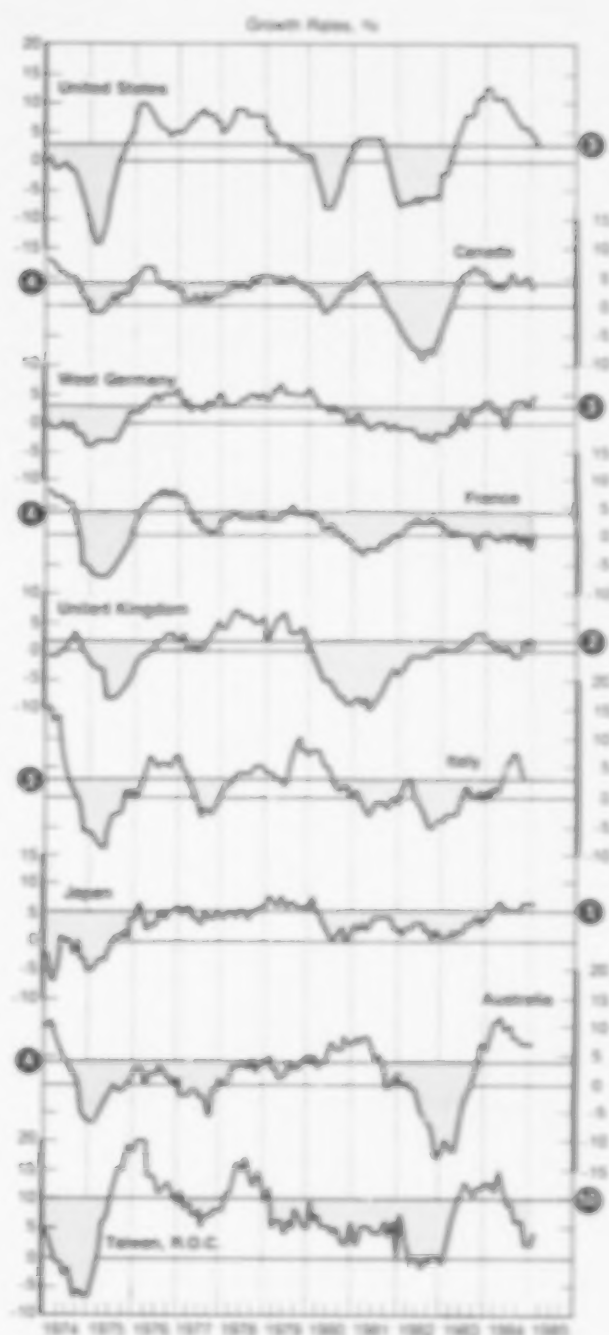
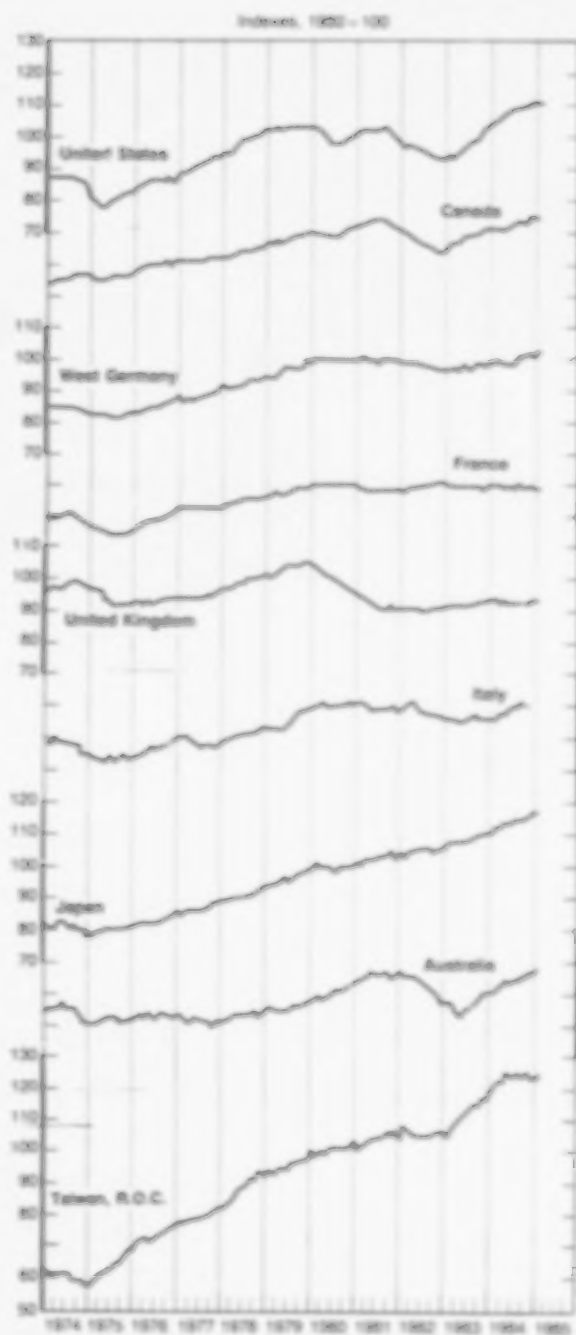
Where We Are



Where We're Headed



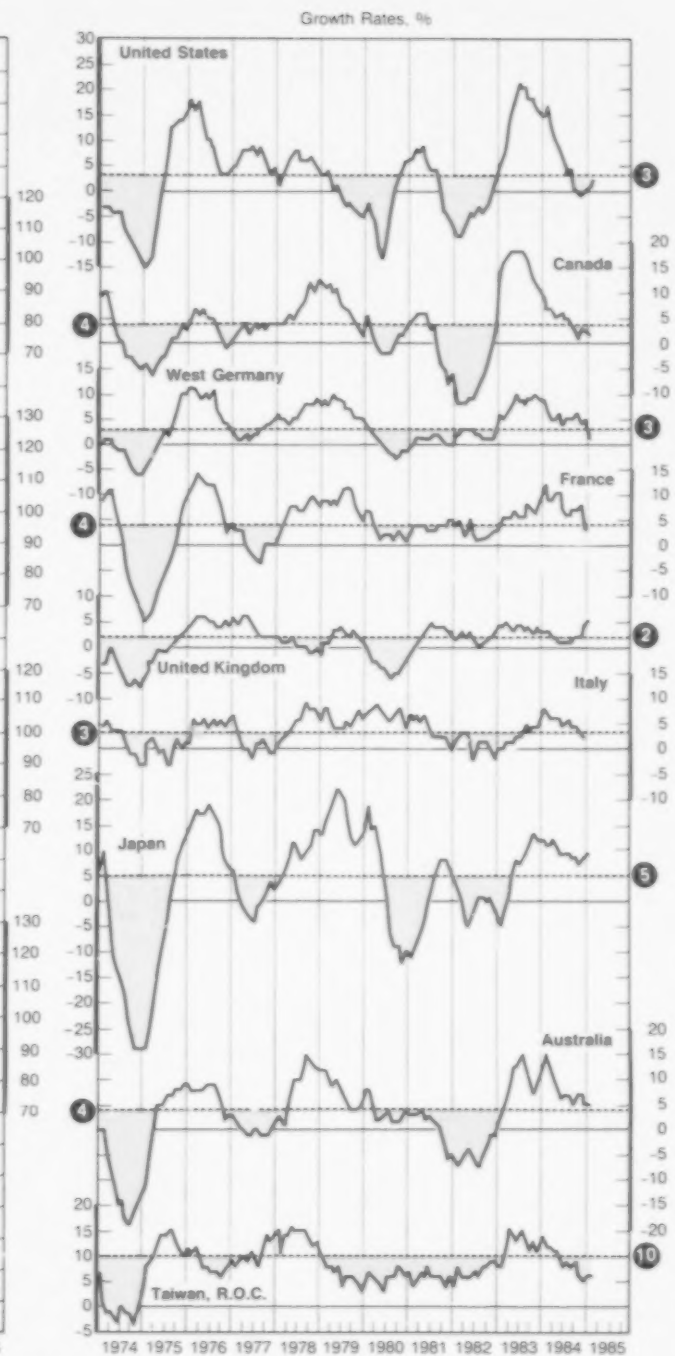
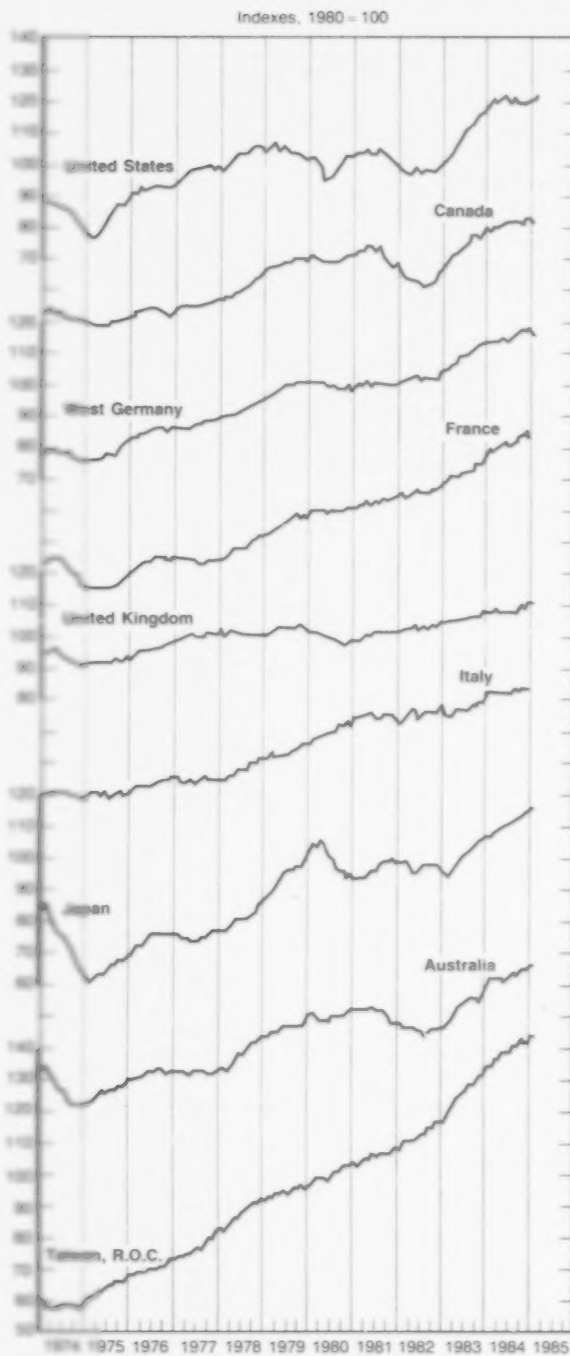
Where We Are Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1960-75 in the index and in real GDP.
Source: CIBOR and The Conference Board

Where We're Headed

Leading Business Cycle Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
 Sources: CIBC and The Conference Board

GROWTH AND INFLATION IN FIVE COUNTRIES

The February issue of the *Scoreboard* examined long-run trends in real gross national product (GNP) for five countries, abstracting in each case from the shorter run fluctuations associated with the business cycle. In this issue we look at the shorter run movements, abstracting from trend, for these same five countries. Instead of analyzing the GNP data in its usual business cycle format, however, we look at it in terms of the fluctuations around trend—the so-called “growth cycles”. As we shall see, these growth cycles have a significant impact on inflation.

In all of these countries, the 1980's recession cut deeply into real output and other economic activities. The declines should not, however, be viewed merely as a pathological phenomenon. At the end of the 1970s inflation had gotten out of control, and the 1980's recession performed the painful, but also desirable, function of sharply reducing inflation in these countries. In some cases inflation was virtually eliminated.

In the United States, when the inflation rate reached its peak in early 1980, consumer prices were rising at a 15 percent annual rate. By early 1983, the inflation rate in this country reached a low of 2 percent. Thus in three years the rate of increase in consumer prices declined 13 percentage points. By this yardstick, in other words, the inflation rate travelled almost 90 percent of the distance to complete price stability.

In Japan the results were equally striking. The inflation rate dropped 8 percentage points from its peak rate of 9 percent. Similar successes in the effort to restore price stability are evident in the statistics for the United Kingdom, West Germany, and Canada.

Numerous studies have documented the correlation between cyclical movements in business activity and the inflation rate in countries around the world. In most cases, when the business cycle is on the upswing inflation accelerates, and when the economy sags so does the inflation rate. Current analysis at the Center for International Business Cycle Research at the Columbia Business School shows that the strength of the cyclical upswing (or downswing) is closely related to how much acceleration (or deceleration) takes place in the inflation rate. In recent years, the change

in the inflation rate has typically lagged the output cycle by 4-18 months. The correlation is documented in the accompanying chart and table.

The table gives estimates of changes in the inflation rates that have been associated with cyclical swings in real output relative to trend. For the United States, the historical pattern shows that a moderate cyclical swing is normally followed by an acceleration (in an upswing) or a deceleration (in a recession) of about 5 percentage points in the rate of inflation. A sharp cyclical swing will produce a 9-percentage-point change in the inflation rate. In Canada and West Germany the relationship is similar to that of the U.S., while inflation in the U.K. and Japan is much more sensitive.

THE BUSINESS CYCLE AND INFLATION

Cyclical Swing	Acceleration or Deceleration of Inflation				
	United States	Canada	United Kingdom	West Germany	Japan
	(change in percentage points)				
Moderate*	5	6	10	5	12
Sharp*	9	10	16	8	19

* In the United States, a “moderate” cyclical swing is comparable to the recovery of 1958-60 and the recession of 1969-70; a “sharp” cyclical swing is comparable to the 1970-73 recovery and the 1973-75 recession.

With respect to the current recovery, the historical patterns are holding true abroad but not here in North America. In the United Kingdom, West Germany, and Japan, increases in inflation rates to date have been commensurate with their relatively modest recoveries in output relative to trend. In the U.S. and Canada, where major upswings in output have occurred, increases in inflation rates have been much smaller than would have been expected from past experience. The unusually favorable U.S. inflation experience has doubtless been fostered by the declining level of import prices expressed in dollars and the greatly increased volume of imports, which together with deregulation and other factors have been holding down U.S. prices and labor costs.

INDEXES, NINE COUNTRIES, 1983-85

		U.S.		Canada		West Germany		France		Italy		U.K.		Japan		Australia		Taiwan, R.O.C.	
		Indexes, 1980 = 100																	
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Nov.	83	103	116	101	108	98	112	100	115	96	109	94	107	110	106	99	105	116	131
Dec.	83	104	117	101	109	99	112	100	117	96	109	94	108	110	106	100	108	116	132
Jan.	84	105	119	101	109	99	113	100	119	96	112	93	108	110	107	100	110	118	135
Feb.	84	106	121	101	110	100	113	100	119	96	112	93	108	112	107	101	112	119	135
Mar.	84	106	120	101	110	99	113	100	120	97	112	93	109	112	108	102	112	121	137
Apr.	84	108	121	102	111	99	114	99	121	97	112	93	108	112	110	103	112	121	137
May	84	108	121	102	111	99	115	100	122	98	112	93	108	113	110	104	112	124	139
June	84	109	121	103	112	98	114	99	121	99	112	93	108	113	110	104	112	123	139
July	84	109	120	104	112	100	115	100	121	100	113	93	108	114	111	105	113	123	139
Aug.	84	109	121	104	112	101	116	100	122	100	114	93	108	114	112	105	114	124	141
Sept.	84	110	120	104	112	101	116	99	123	101	113	93	109	114	113	106	113	124	141
Oct.	84	110	119	104	111	102	117	99	124	100	114	93	110	115	113	106	114	124	143
Nov.	84	111	119	105	113	102	117	100	125	100	114	94	109	116	114	107	115	125	142
Dec.	84	111	120	105	113	101	118	99	123	114	94	111	117	115	107	115	123	142	
Jan.	85	111	121	105	112	103	116	99				94	111	117	116	108	116	123	144
Feb.	85	111	122															125	144

Growth Rates, Percent

Nov.	83	11	16	6	12	3	10	0	6	1	4	3	3	3	13	5	7	12	13
Dec.	83	12	15	6	10	3	8	0	8	0	4	3	4	4	12	8	11	12	11
Jan.	84	13	15	5	9	4	8	1	12	1	8	2	3	4	12	7	12	13	14
Feb.	84	13	16	3	7	5	6	0	9	0	8	2	2	5	11	8	15	12	12
Mar.	84	11	12	3	7	2	5	0	9	2	6	1	3	5	11	11	12	13	12
Apr.	84	11	10	4	7	2	5	-1	10	1	6	1	2	6	12	11	9	11	11
May	84	11	9	3	5	2	6	-1	10	3	6	0	2	6	11	12	8	14	11
June	84	11	6	4	6	-1	4	-1	7	5	4	0	1	5	9	9	6	11	10
July	84	9	3	6	5	3	5	0	6	6	5	-1	1	5	9	10	7	9	8
Aug.	84	8	4	5	5	4	5	0	6	7	6	-1	1	5	9	8	7	9	9
Sept.	84	7	2	4	4	4	5	-1	7	7	4	0	1	5	8	8	5	6	8
Oct.	84	6	0	4	1	4	6	-1	7	4	4	1	2	5	8	7	7	6	9
Nov.	84	6	-1	5	3	4	4	0	8	3	3	1	2	6	7	7	7	6	6
Dec.	84	5	0	5	3	3	5	-2	3		2	2	4	6	8	7	5	2	5
Jan.	85	4	1	3	2	5	1	0			1	5	6	9	7	5	2	6	
Feb.	85	3	2															4	6

Ten Year Annual Growth Rate, Percent

1969-79	3	3	4	4	3	3	4	4	3	3	2	2	5	5	4	4	10	10	
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		9 Countries		8 Countries ex. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Nov.	83	102	112	101	110	102	115	97	111	108	106
Dec.	83	103	113	102	110	104	116	97	112	109	107
Jan.	84	103	114	102	111	105	118	98	113	110	108
Feb.	84	104	115	102	111	106	120	98	113	111	109
Mar.	84	104	115	102	112	106	120	97	114	111	110
Apr.	84	105	116	103	113	107	120	97	114	112	111
May	84	105	117	103	113	108	120	98	115	112	111
June	84	106	116	103	113	109	120	97	114	112	111
July	84	106	116	104	114	109	119	98	115	113	112
Aug.	84	106	117	104	114	109	120	98	115	113	113
Sept.	84	106	117	104	115	109	119	99	116	114	114
Oct.	84	107	117	104	116	109	118	99	117	114	114
Nov.	84	107	117	105	116	110	119	99	117	115	114
Dec.	84	108	118	105	116	111	119	99	117	116	116
Jan.	85	108	118	105	116	110	120	99	117	116	117

Growth Rates, Percent

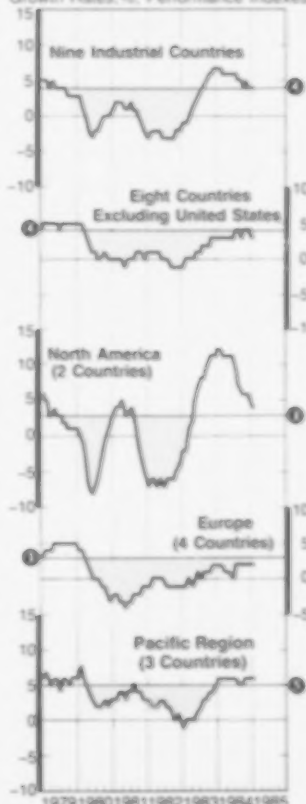
Nov.	83	6	12	3	9	11	15	2	6	4	13
Dec.	83	7	11	3	9	11	14	2	7	5	12
Jan.	84	7	12	3	9	12	15	2	8	5	12
Feb.	84	7	11	3	8	12	15	2	6	6	12
Mar.	84	6	9	3	8	11	11	1	6	6	11
Apr.	84	6	9	3	8	11	10	1	6	6	12
May	84	6	8	3	7	11	9	1	6	6	10
June	84	6	6	3	6	11	6	0	4	6	9
July	84	6	5	4	6	9	3	2	4	6	9
Aug.	84	5	5	4	6	8	4	2	4	5	8
Sept.	84	5	4	3	6	7	2	2	4	5	8
Oct.	84	4	3	4	6	6	0	2	5	6	8
Nov.	84	5	3	4	5	6	0	2	4	6	7
Dec.	84	4	3	4	5	5	0	2	4	6	7
Jan.	85	4	3	3	5	4	1	2	3	6	6

Ten Year Annual Growth Rate, Percent

1969-79	4	4	4	4	3	3	3	3	5	5	
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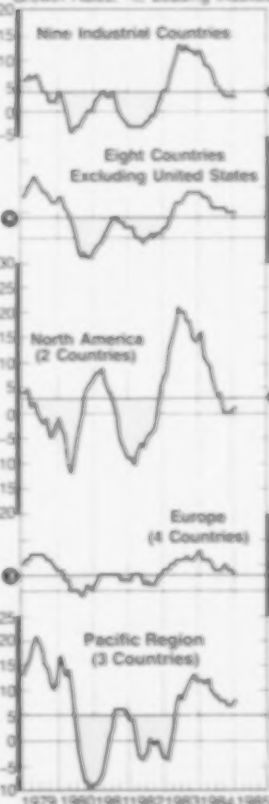
Where We Are

Growth Rates, % Performance Indexes



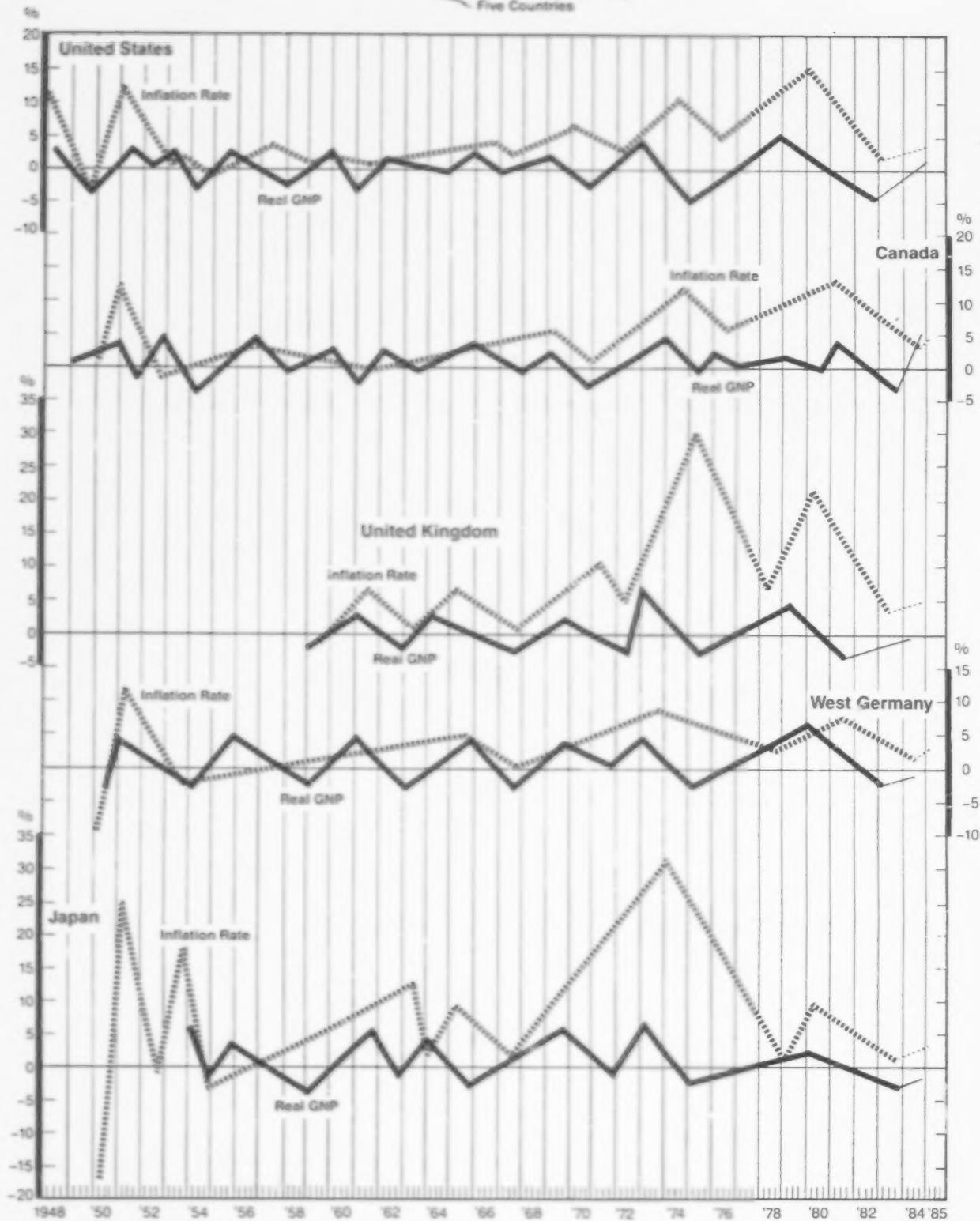
Where We're Headed

Growth Rates, % Leading Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBC and The Conference Board

Inflation and Growth Cycles Five Countries



Note: Real GNP data are % deviations from trend.

For both series, points plotted are cyclical peaks and troughs, except final plot which is latest date available (and thus an incomplete cycle).

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A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD



The Conference Board

MAY, 1985

SUMMARY

R4105-6A

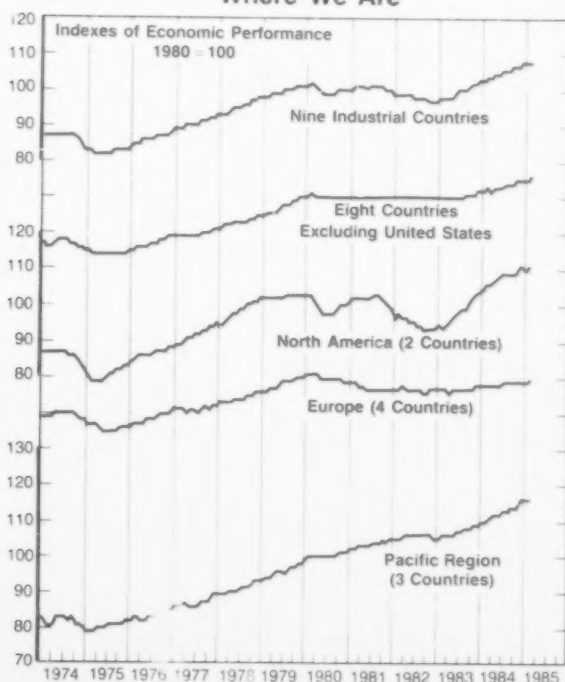
The leading economic indexes for nine industrial countries continue to project widespread expansion in the months ahead. Compared with three months ago, the latest growth rates show a faster rise in each of the three regions. For the nine countries taken together, the leading index growth rate was 5% at the latest reading, up from 3% three months earlier. Among individual countries the most notable first-quarter changes in the leaders were the improvement in the United States and the United Kingdom and the progressively slower growth—pronounced by historical comparison—in Taiwan, R.O.C.

The economic performance indexes are less cohesive across countries at this point, with the latest figures showing declines for Italy, and Taiwan, R.O.C., no growth for France, and rates ranging from 3 to 7% for the other countries. The nine-country performance index irons out these idiosyncrasies, putting the latest growth rate at 4% compared with 5% three months ago. The overall pattern points to expansion in the industrial countries but only at a moderate pace.

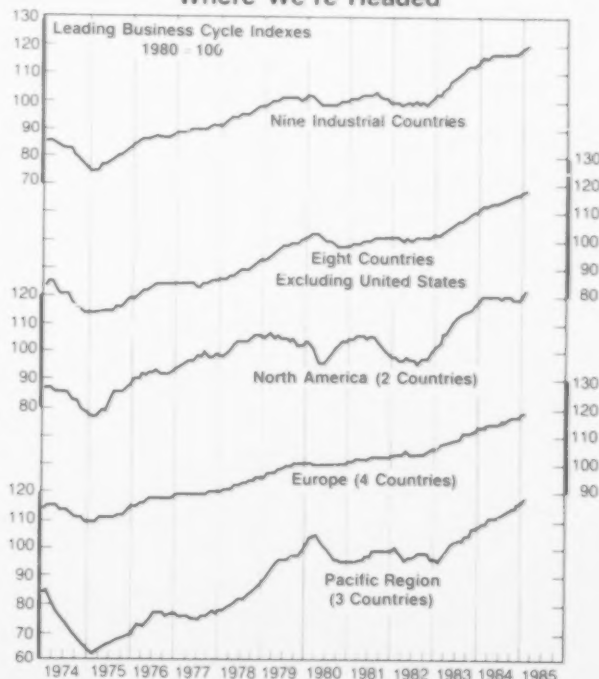
		Leading Business Cycle Indexes			Indexes of Economic Performance			Current Reading on the Cycle	Latest Month Covered
		Growth Rates*			Growth Rates*				
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
Ten-year Growth Rate 1969-79		annual rates, percent							
9 countries	4	5	3	5	5	5	4	Expansion slowing	Feb.
8 countries ex. U.S.	4	6	5	7	4	4	4	Expansion continuing	Feb.
Europe (4)	3	5	5	5	2	2	3	Expansion continuing	Feb.
Pacific Region (3)	5	8	7	9	5	6	5	Expansion continuing	Feb.
North America (2)	3	4	0	4	8	6	3	Expansion slowing	Feb.
United States	3	2	0	3	7	5	4	Expansion slowing	Mar.
Canada	4	5	3	2	5	5	3	Expansion slowing	Feb.
West Germany	3	5	4	4	4	4	4	Expansion continuing	Feb.
France	4	7	8	7	0	-1	0	Recovery stalled: leaders rising	Feb.
United Kingdom	2	1	2	4	0	3	3	Recovery continuing	Feb.
Italy	3	4	5	6	6	4	-1	Expansion stalled: leaders rising	Jan.
Japan	5	9	7	9	5	6	5	Expansion continuing	Feb.
Australia	4	8	7	7	8	7	7	Expansion continuing	Feb.
Taiwan, R.O.C.	10	8	5	4	6	3	-3	Expansion slowing	Mar.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

Where We Are

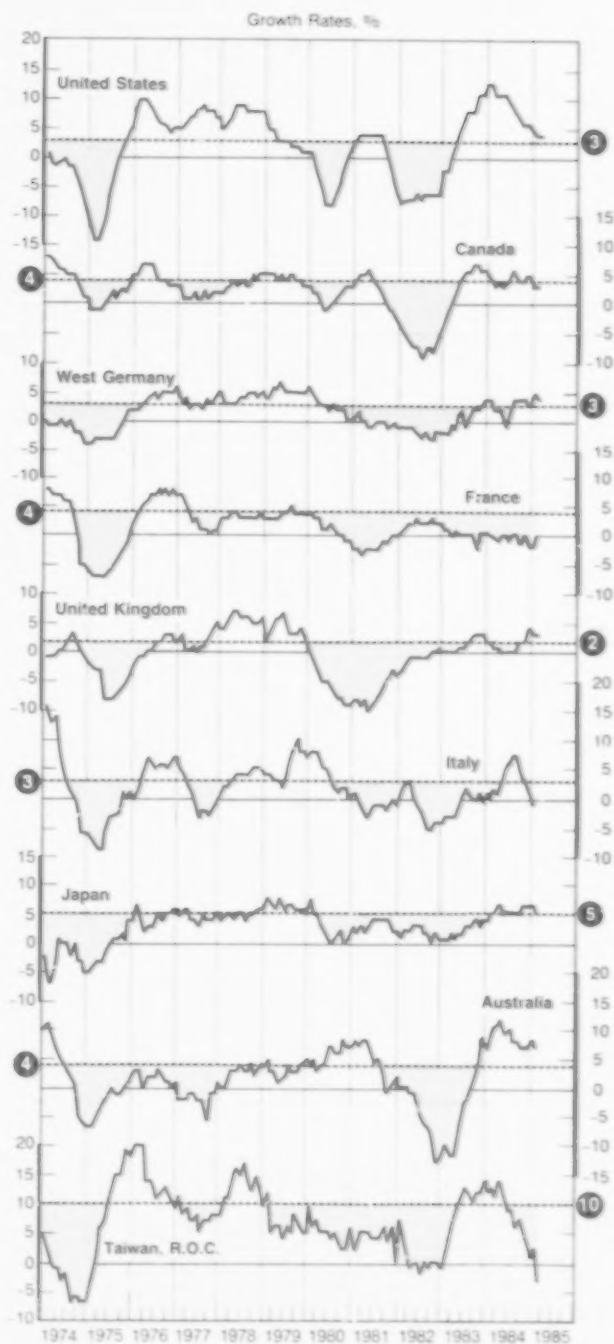
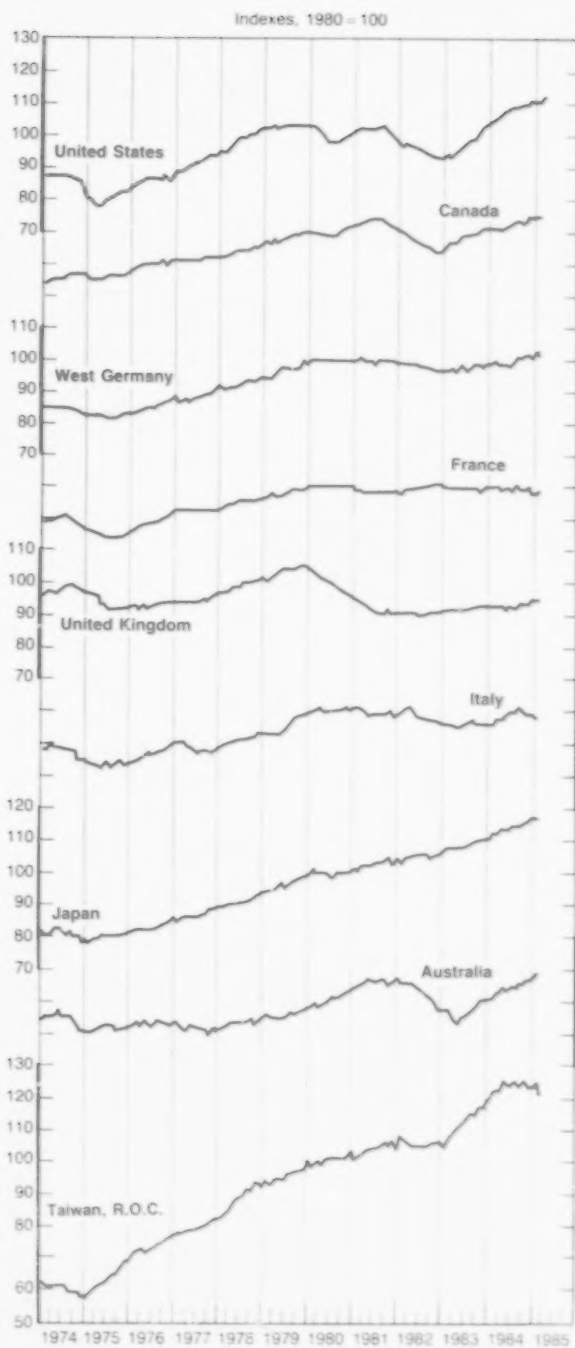


Where We're Headed



Where We Are

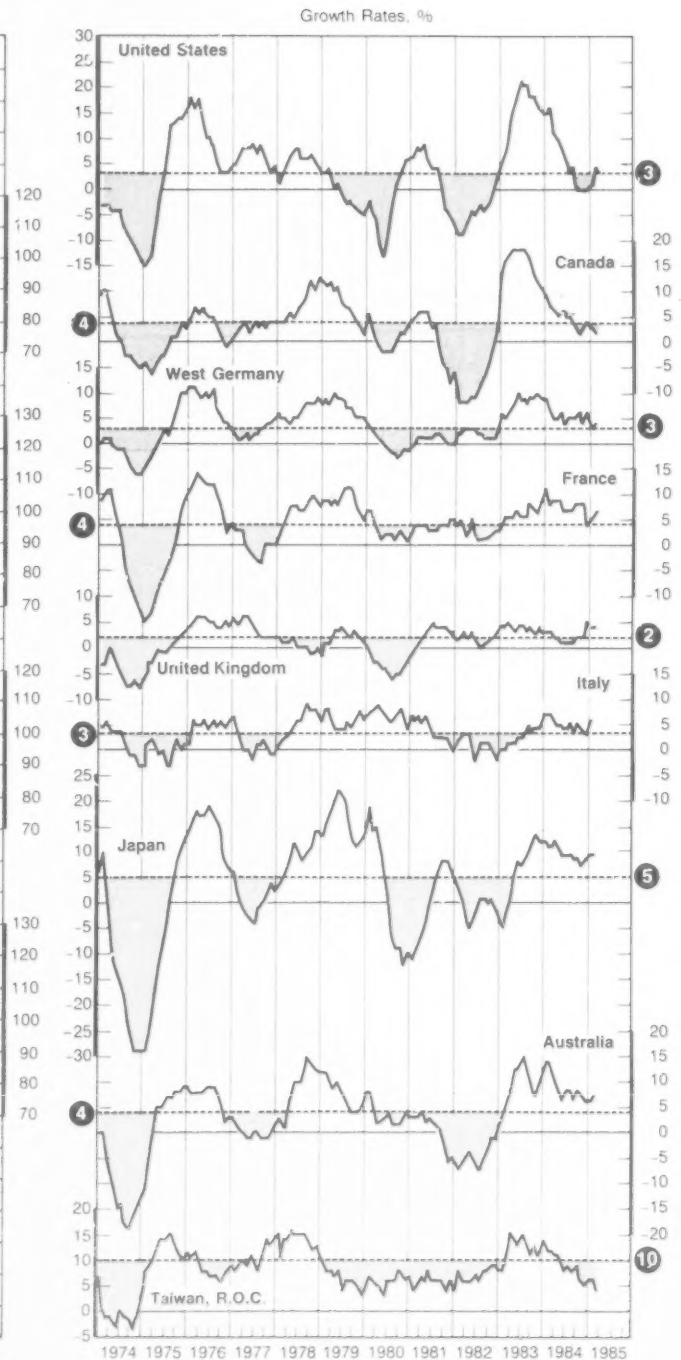
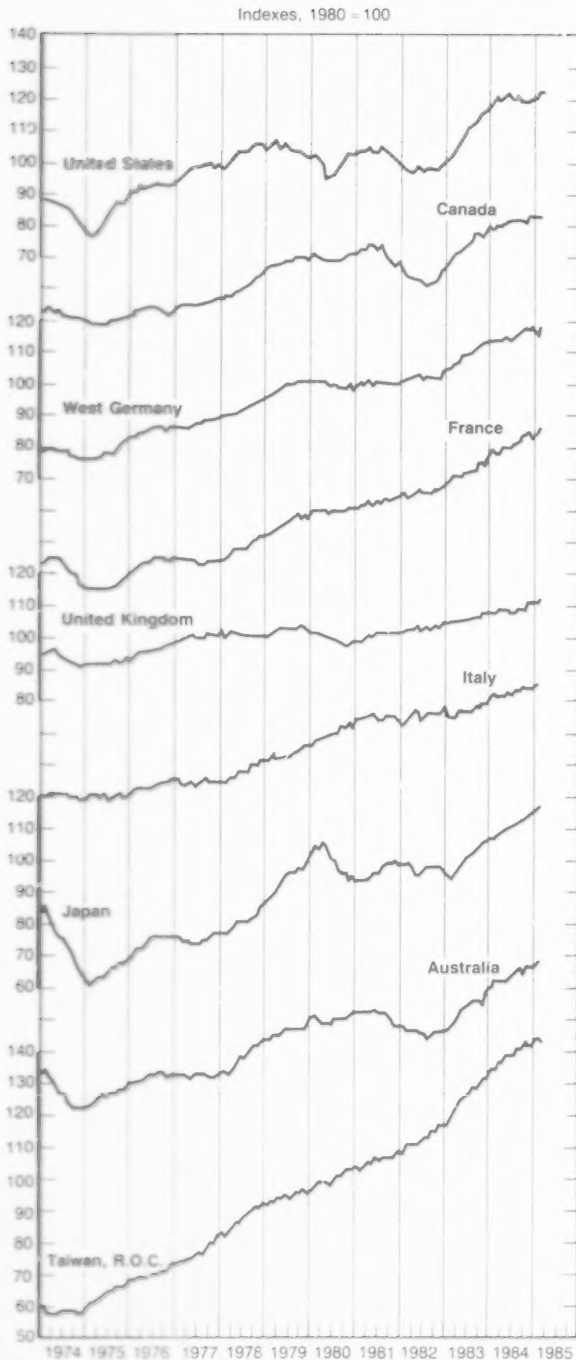
Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP
Sources: CIBCR and The Conference Board

Where We're Headed

Leading Business Cycle Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP
 Sources: CIBC and The Conference Board

INDEXES, NINE COUNTRIES, 1983-85

		U.S		Canada		West Germany		France		Italy		U.K		Japan		Australia		Taiwan, R.O.C	
		Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead
		Indexes, 1980 = 100																	
Jan.	84	105	119	101	109	99	113	100	118	96	111	93	108	110	107	100	110	119	135
Feb.	84	106	121	101	110	100	113	100	118	96	112	93	108	112	107	100	112	119	135
Mar.	84	106	120	101	110	99	113	100	119	97	111	93	109	112	108	102	112	121	137
Apr.	84	108	121	102	111	99	114	99	120	97	111	93	109	112	110	103	112	121	137
May	84	108	121	102	111	99	115	100	120	98	112	92	109	113	110	104	112	124	139
June	84	109	120	103	112	98	114	99	120	99	112	93	108	113	110	104	112	123	139
July	84	109	120	104	112	100	115	100	121	100	112	92	109	114	111	105	114	123	139
Aug.	84	109	121	104	112	101	116	100	122	100	113	92	109	114	112	105	115	124	141
Sept.	84	110	120	104	112	101	116	100	123	101	113	93	109	114	113	106	114	124	141
Oct.	84	110	119	104	111	102	117	99	124	100	114	94	110	115	113	106	116	124	143
Nov.	84	111	120	105	112	102	117	99	124	99	114	94	110	116	114	107	116	125	142
Dec.	84	111	120	105	113	101	118	98	123	99	114	95	111	117	115	107	116	124	142
Jan.	85	111	121	105	113	103	117	98	125	98	116	95	111	117	116	108	117	123	144
Feb.	85	111	123	105	113	102	118	99	126			95	112	117	117	109	118	124	144
Mar.	85	112	123															121	143

Growth Rates, Percent

Jan. 84	84	13	15	5	9	4	8	0	11	1	7	2	3	4	12	7	12	14	14
Feb. 84	84	13	16	3	8	5	6	0	8	0	7	2	2	5	11	8	14	12	12
Mar. 84	84	11	11	3	7	2	5	0	9	2	6	1	3	5	11	10	11	13	12
Apr. 84	84	11	10	4	6	2	5	-1	9	1	5	1	2	6	12	11	9	11	11
May 84	84	11	8	3	5	2	6	-1	9	3	5	0	2	6	11	12	7	14	11
June 84	84	11	6	4	6	-1	4	-1	7	5	4	0	1	5	9	9	6	11	10
July 84	84	9	3	6	5	3	5	0	7	6	4	0	1	5	9	10	8	9	8
Aug. 84	84	8	4	5	5	4	5	0	7	7	5	0	1	5	9	8	8	9	9
Sept. 84	84	7	2	4	4	4	5	0	8	7	3	2	1	5	8	8	6	6	8
Oct. 84	84	6	0	4	2	4	6	-1	8	4	5	2	2	5	8	7	8	7	9
Nov. 84	84	6	0	5	3	4	4	-1	8	3	4	3	2	6	7	7	7	6	6
Dec. 84	84	5	0	5	4	3	6	-2	4	2	3	4	5	6	8	7	6	3	5
Jan. 85	85	4	1	3	3	5	3	-2	6	-1	6	3	4	6	9	8	6	1	6
Feb. 85	85	4	4	3	2	4	4	0	7			3	4	5	9	7	7	2	6
Mar. 85	85	4	3															-3	4

Ten Year Annual Growth Rate, Percent

1969-79		3	3	4	4	3	3	4	4	3	3	2	2	5	5	4	4	10	10
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	8										
	9 Countries			Countries ex. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
	Indexes, 1980 = 100										
		Perf.	Lead	Perf.	Lead	Perf.	Lead	Perf.	Lead	Perf.	Lead
Jan.	84	103	114	102	111	105	118	98	113	110	108
Feb.	84	104	115	102	111	106	120	98	113	110	109
Mar.	84	104	115	102	112	106	120	97	113	111	110
Apr.	84	105	116	103	113	107	120	97	114	112	111
May	84	105	116	103	113	108	120	98	114	112	111
June	84	106	116	103	113	109	120	97	114	112	111
July	84	106	116	104	114	109	119	98	115	113	112
Aug.	84	106	117	104	114	109	120	98	115	113	113
Sept.	84	106	117	104	115	109	120	99	116	114	114
Oct.	84	107	117	105	116	109	118	99	117	114	114
Nov.	84	107	117	105	116	110	119	99	117	115	115
Dec.	84	108	118	105	116	111	119	99	117	116	116
Jan.	85	108	119	105	117	110	120	99	118	116	117
Feb.	85	108	120	106	118	111	122	100	119	116	118

Growth Rates, Percent

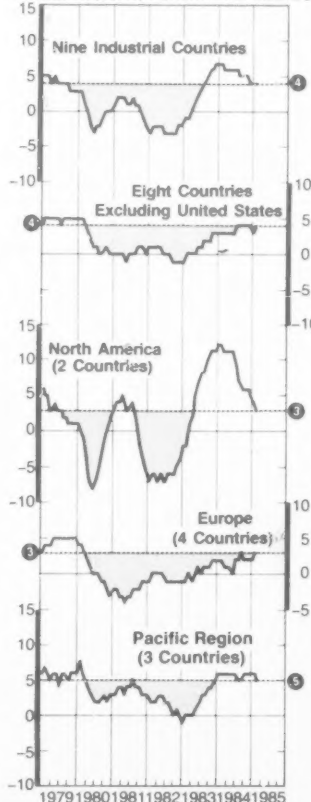
Jan. 84	84	7	11	3	9	12	15	2	7	5	12
Feb. 84	84	7	11	3	8	12	15	2	6	6	12
Mar. 84	84	6	9	3	7	11	11	1	6	6	11
Apr. 84	84	6	9	3	8	11	10	1	5	6	12
May 84	84	6	8	3	7	11	8	1	6	6	10
June 84	84	6	6	3	6	11	6	0	4	6	9
July 84	84	6	5	4	6	9	3	2	4	6	9
Aug. 84	84	5	5	4	6	8	4	2	5	5	8
Sept. 84	84	5	4	4	6	7	2	3	5	5	8
Oct. 84	84	5	3	4	6	6	0	2	5	6	8
Nov. 84	84	5	3	4	5	6	0	2	5	6	7
Dec. 84	84	4	3	4	5	5	0	2	4	6	8
Jan. 85	85	4	4	3	6	4	1	2	4	6	8
Feb. 85	85	4	5	4	7	3	4	3	6	5	9

Ten Year Annual Growth Rate, Percent

1969-79		4	4	4	4	3	3	3	3	5	5
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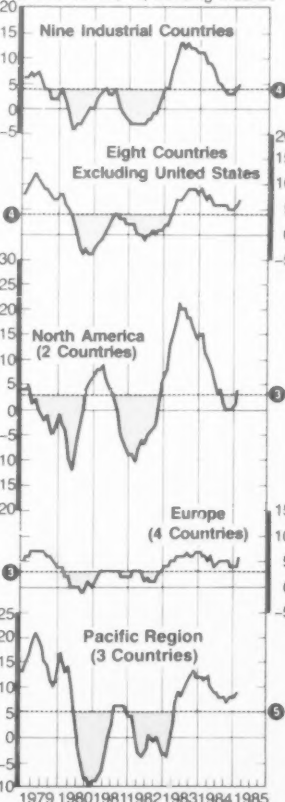
Where We Are

Growth Rates, %, Performance Indexes



Where We're Headed

Growth Rates, %, Leading Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBCR and The Conference Board

A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD



The Conference Board

JUNE, 1985

SUMMARY

R4105-6A

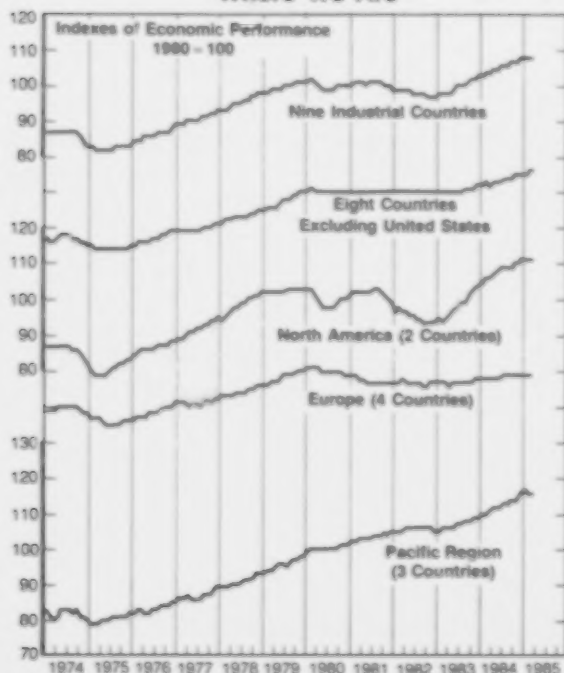
The leading economic indexes continue to point toward moderate expansion in the industrial world. In seven of the nine countries, the leading indexes are rising faster than the performance indexes. In general, this is a sign that the growth rates in the performance indexes will move up in the months ahead. The two countries where this is not true are the United States and Taiwan, R.O.C. In these countries, the leading indexes have yet to signal a decisive end to the sluggish growth pattern of recent months.

Nevertheless, for the nine countries as a group, the picture is more favorable than it was three or six months ago, when the leading indexes in about half the countries were rising less rapidly than their performance indexes. Moreover, the leading indexes themselves have picked up speed. The latest figures show growth rates above 4 percent annually in six countries. Three months ago, only three countries scored better than 4 percent.

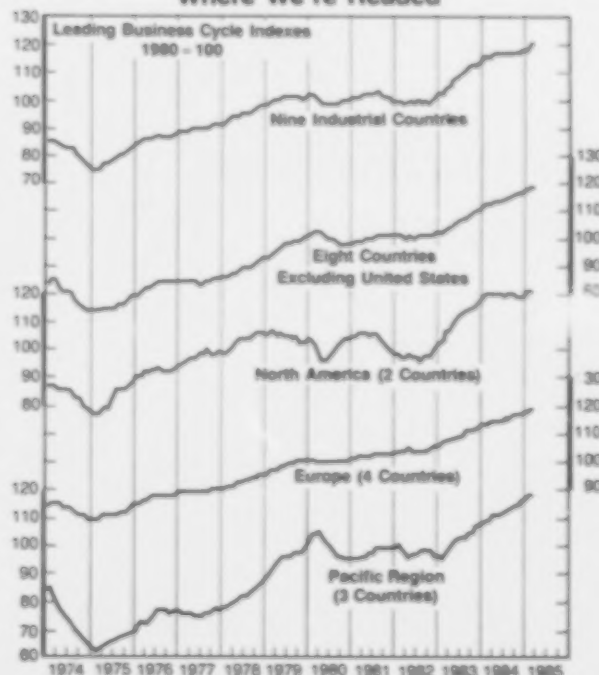
	Ten-year Growth Rate 1969-79	Leading Business Cycle Indexes Growth Rates*			Indexes of Economic Performance Growth Rates*			Current Reading on the Cycle	Latest Month Covered
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
9 countries	4	4	3	4	5	4	3	Expansion slowing	Mar.
8 countries ex. U.S.	4	6	5	6	4	4	3	Expansion continuing	Mar.
Europe (4)	3	5	4	6	3	2	2	Expansion continuing	Mar.
Pacific Region (3)	5	8	8	8	5	6	4	Expansion continuing	Mar.
North America (2)	3	2	0	2	7	5	3	Expansion slowing	Mar.
United States	3	0	1	1	6	4	3	Expansion slowing	Apr.
Canada	4	4	4	5	4	5	4	Expansion continuing	Mar.
West Germany	3	4	4	4	4	3	3	Expansion continuing	Mar.
France	4	8	4	8	0	-2	1	Recovery stalled: leaders rising	Mar.
United Kingdom	2	2	4	5	1	4	3	Recovery continuing	Mar.
Italy	3	3	3	7	6	4	-1	Expansion stalled: leaders rising	Mar./Jan.
Japan	5	8	8	8	5	6	4	Expansion continuing	Mar.
Australia	4	6	6	9	8	7	4	Expansion continuing	Mar.
Taiwan, R.O.C.	10	9	6	4	7	1	5	Expansion continuing	Apr.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

Where We Are

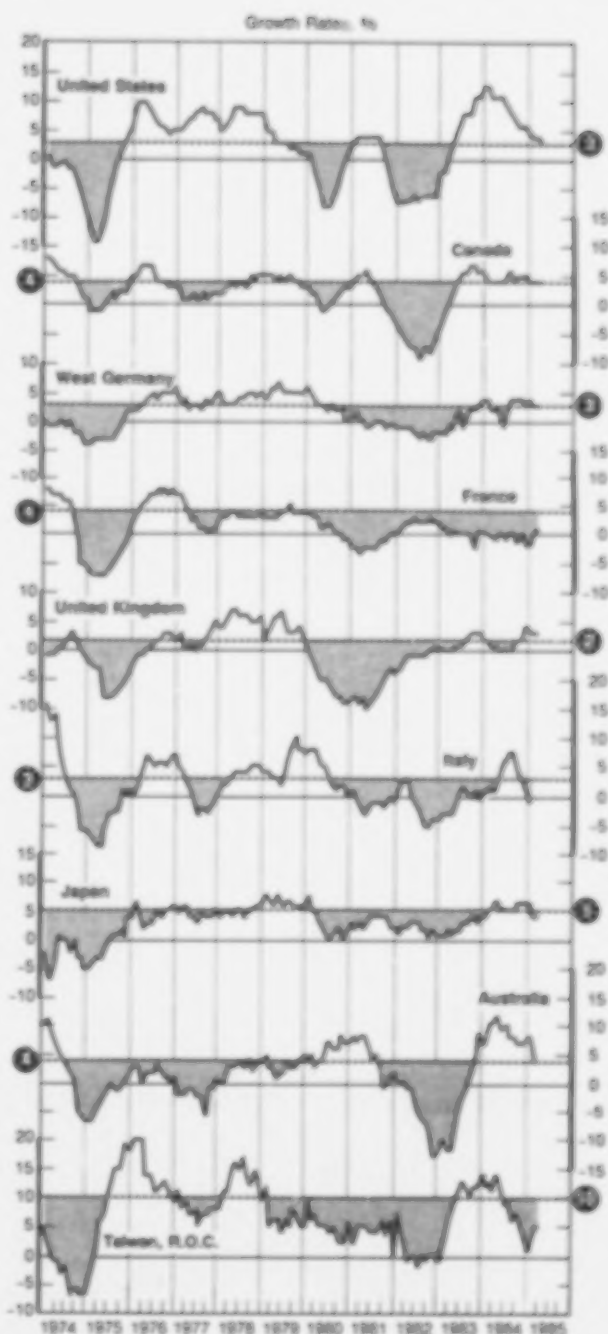
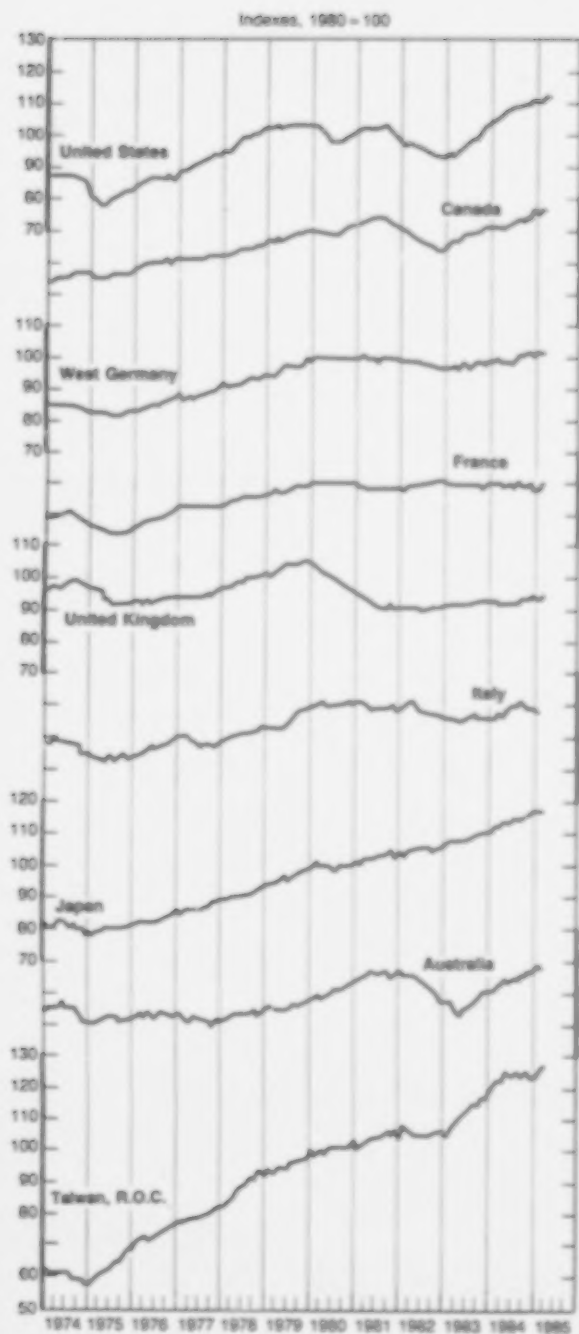


Where We're Headed



Where We Are

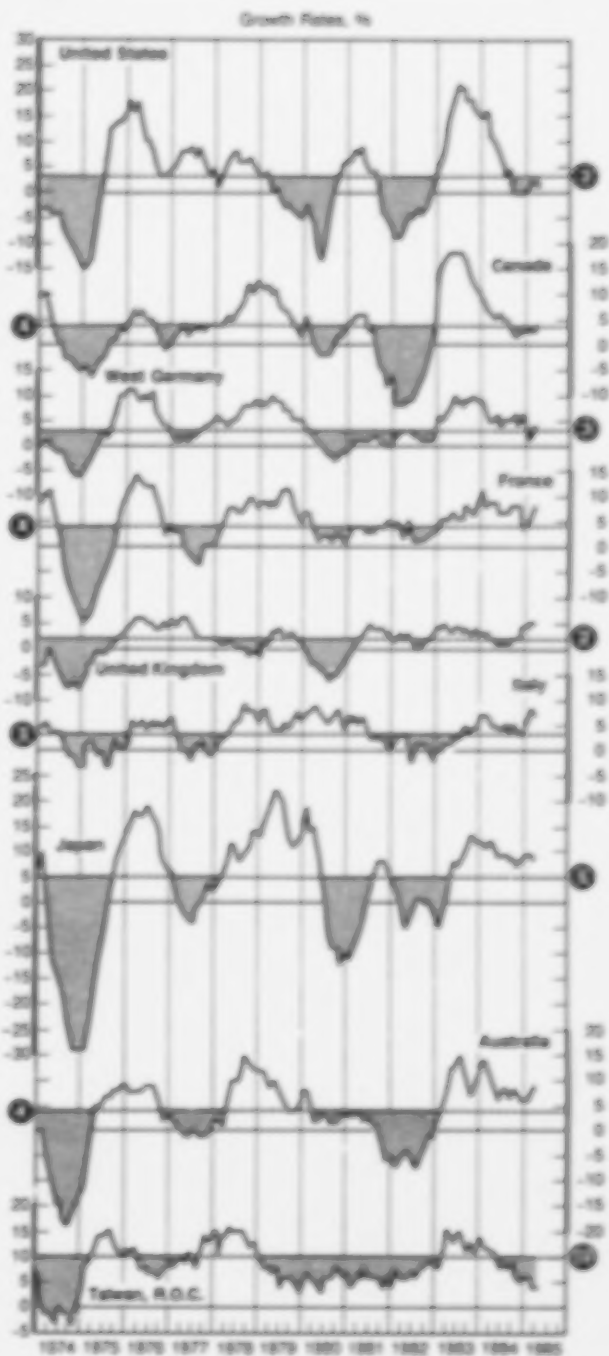
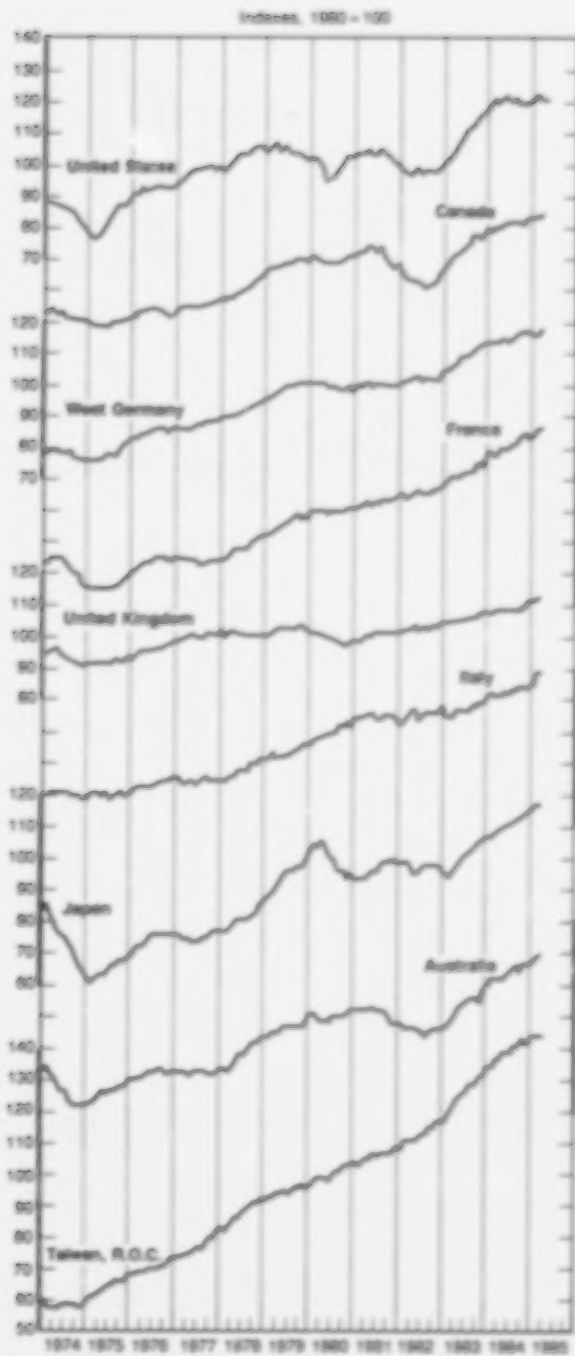
Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1959-79 in the index and in real GNP.
Sources: CIBCR and The Conference Board

Where We're Headed

Leading Business Cycle Indicators



Note: Horizontal dashed lines are average growth rates for 1980-79 in the index and in real GNP.
Sources: DBCI and The Conference Board

RECOVERY COMPARISONS: AN UPDATE

In the December 1983 *Scoreboard* we analyzed our international indexes in terms of historical recession-recovery patterns. They showed how current movements in the indexes for the U.S. and for six other countries (combined) compared to their past behavior during U.S. recoveries. The comparisons led us to forecast that by mid-1984 the U.S. indexes would slow down to a 4 to 5 percent annual growth rate from the double-digit rates then prevailing, since such slowdowns were typical of past recoveries. As it turned out, that is about what happened. The U.S. leading index slowed to a 5.6 percent growth rate in June 1984 and 2.9 percent in July. As usually happens the slowdown in the U.S. performance index came a bit later—it hit 5.7 percent in October 1984 and 4.2 percent in January 1985.

According to the December 1983 analysis, the composite indexes for the six countries excluding the United States were exhibiting their usual tendency to advance during U.S. recoveries, with the leading index moving up ahead of the performance index. Past experience led us to expect that the growth rates in the six-country indexes would level out at about a 7 percent annual rate by mid-1984. The indexes we now have include eight countries (Australia and Taiwan, R.O.C. have been added) but they are not greatly different from the six-country indexes. As of June 1984, the growth rates were 6.6 percent for the leading index and 2.6 percent for the performance index. In the latter, the recovery was not exhibiting its usual strength nor the strength shown by the leading index.

THE INTERNATIONAL ECONOMIC INDICATOR SYSTEM

This publication is designed to help readers monitor the ups and downs of the business cycle around the world. To this end, two types of index are shown for each country: an index of economic performance and a leading index. The economic performance indexes are composites of such series as real GNP, industrial production, employment and sales—what analysts call “coincident” series, because they define the business cycle.

The leading indexes are composites of such series as new orders, construction contracts, corporate profits and stock prices—indicators that usually anticipate changes in production and employment by several months. Thus the indexes of economic performance tell us the current status of the business cycle, i.e., where we are, while the leading indexes tell us where the economy is headed.

Experience has shown that when the leading index begins to rise faster, it is a fairly safe rule that the economy will soon begin to rise faster too—typically after three or four months. When the leading index begins to rise more

The charts on the next page bring the picture up to date. The U.S. leading index growth rate fell to the zero level at the end of last year but has since moved up into the 1-2 percent range. The U.S. performance index growth rate has continued to creep toward lower levels, reaching the 3 percent range in April. These rates are about par for the course for an expansion that is well into its third year. They are not showing signs that the expansion is coming to an end—i.e., they are not signalling an imminent recession.

The eight-country indexes also are sending a moderately encouraging message. The 6 percent growth rate in the leading index is virtually the same as its previous average rate at this stage of a U.S. expansion. The 3 percent rate for the performance index is below average but seems to be holding steady. Continued growth at this pace in other countries will help support the U.S. expansion, and a continuation of the U.S. expansion will help to preserve economic growth in the other industrial countries. In each case, it is a picture of “modest” or “subdued”, rather than “vigorous”, growth.

By lining up past records of indicators that tell us where we are and where we are headed, recession-recovery patterns enable us to see promptly whether the world's industrial economies are following their usual path or falling out of step, and to pinpoint where this is happening. In future issues of the *Scoreboard* we plan to expand our use of the technique.

slowly or to decline, the economy is likely to follow suit shortly thereafter. (For details, see “What the Leading Indicators Indicate,” *Across the Board*, April 1980 and *Business Cycles, Inflation and Forecasting*, Ballinger Publishing Co., 1983.) Considerable variation in the length of lead is to be expected, however. Constant monitoring is needed to make effective use of the system and get early warnings of recessions and recoveries, changes in foreign trade flows, and new inflationary trends.

For More Information

To find out more about this indicator system and the availability of detailed data for each country please address inquiries to:

Center for International Business Cycle Research
Columbia Business School
New York, New York 10027
Telephone: 212-280-2916

INDEXES, NINE COUNTRIES, 1983-85

		U.S.		Canada		West Germany		France		Italy		U.K.		Japan		Australia		Taiwan, R.O.C.	
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Indexes, 1980 = 100																			
Jan.	84	105	119	101	109	99	113	100	118	96	111	93	108	110	107	100	110	119	135
Feb.	84	106	121	101	110	100	113	100	118	96	112	93	108	111	107	100	112	119	135
Mar.	84	106	120	101	110	99	113	100	119	97	111	92	109	112	108	102	112	121	137
Apr.	84	108	121	102	111	99	114	99	120	96	111	92	109	113	110	104	112	124	139
May	84	108	121	102	111	99	115	100	120	98	112	92	109	113	110	104	112	124	139
June	84	109	120	103	112	98	114	99	120	99	111	92	109	113	110	104	112	123	139
July	84	109	120	104	112	100	115	100	121	100	111	92	109	114	111	105	114	123	139
Aug.	84	109	121	104	112	101	116	100	122	100	113	92	109	114	112	105	115	124	141
Sept.	84	110	120	104	112	101	116	100	123	101	112	93	109	114	113	106	114	124	141
Oct.	84	110	119	105	111	102	117	99	123	100	113	94	110	115	113	106	116	124	143
Nov.	84	111	120	105	112	102	116	99	124	99	114	94	110	116	113	107	116	125	142
Dec.	84	111	120	106	113	101	117	98	123	99	114	95	112	117	115	107	116	124	142
Jan.	85	111	121	105	114	102	116	98	125	98	115	94	112	117	116	108	117	123	144
Feb.	85	111	122	106	114	102	116	99	126	117	117	94	112	117	117	109	118	124	144
Mar.	85	112	121	106	115	102	118	100	127	117	117	95	113	117	117	108	120	126	144
Apr.	85	112	121															127	144

Growth Rates, Percent

Jan.	84	13	15	5	9	4	8	0	11	1	7	2	3	4	12	7	12	14	14
Feb.	84	13	16	4	7	5	6	0	8	1	7	2	2	5	11	8	14	12	12
Mar.	84	11	11	4	7	2	5	0	9	2	5	1	3	5	11	10	11	13	12
Apr.	84	11	10	4	6	2	6	-1	9	1	4	1	2	6	12	11	9	11	11
May	84	11	8	4	5	2	6	-1	9	3	5	0	2	5	11	12	7	14	11
June	84	11	6	4	6	-1	5	-1	7	5	4	0	1	5	9	9	6	11	10
July	84	9	3	6	5	3	5	0	7	6	3	0	1	5	9	10	8	9	8
Aug.	84	8	4	5	5	4	5	0	7	7	4	0	2	5	9	8	8	9	9
Sept.	84	7	2	4	4	4	4	0	8	7	3	1	2	5	8	8	6	6	8
Oct.	84	6	0	5	2	4	5	-1	7	4	5	2	3	6	8	7	8	7	9
Nov.	84	6	0	5	3	4	4	-1	7	3	4	3	2	6	7	7	7	6	6
Dec.	84	5	0	5	4	3	4	-2	4	2	3	4	4	6	8	7	6	3	5
Jan.	85	4	1	4	4	4	1	-2	6	-1	6	3	4	6	9	8	6	1	6
Feb.	85	4	2	4	4	3	2	0	7	8	3	5	4	9	7	7	2	5	
Mar.	85	4	2	4	5	3	4	1	8	7	3	5	4	8	4	9	3	4	
Apr.	85	3	1															5	4

Ten Year Annual Growth Rate, Percent

1969-79	3	3	4	4	3	3	4	4	3	3	2	2	5	5	4	4	10	10	
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		9 Countries		8 Countries ex. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
Indexes, 1980 = 100											
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Jan.	84	103	114	102	111	105	116	98	113	110	108
Feb.	84	104	115	102	111	106	120	98	113	110	109
Mar.	84	104	115	102	112	106	120	97	113	111	110
Apr.	84	105	116	103	113	107	120	97	114	112	111
May	84	105	116	103	113	108	120	98	114	112	111
June	84	106	116	103	113	109	120	97	114	112	111
July	84	106	116	104	114	109	119	98	115	113	112
Aug.	84	106	117	104	114	109	120	98	115	113	113
Sept.	84	106	117	104	115	109	120	99	116	114	114
Oct.	84	107	117	105	116	110	119	99	116	114	114
Nov.	84	107	117	105	116	110	119	99	116	115	115
Dec.	84	108	118	105	116	111	119	99	117	116	116
Jan.	85	108	118	105	117	111	120	99	118	117	117
Feb.	85	108	119	106	118	111	121	99	118	116	118
Mar.	85	108	120	106	118	111	121	99	119	116	118

Growth Rates, Percent

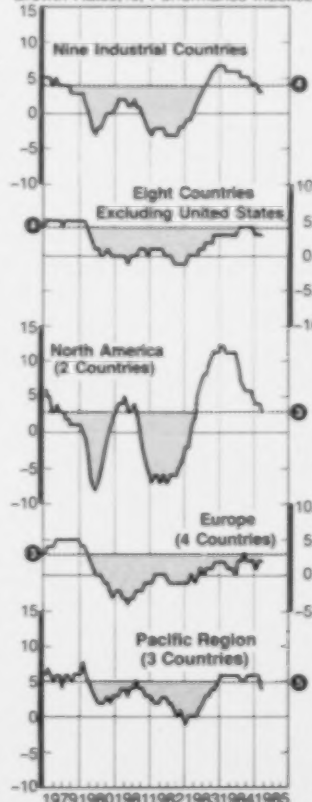
Jan.	84	7	11	3	9	12	15	2	7	5	12
Feb.	84	7	11	3	8	12	15	2	6	6	11
Mar.	84	6	9	3	7	11	11	1	6	6	11
Apr.	84	6	9	3	8	11	9	1	5	6	12
May	84	6	8	3	7	11	8	1	6	6	10
June	84	6	6	3	6	11	6	0	4	6	9
July	84	6	5	4	6	9	3	2	4	6	9
Aug.	84	5	5	4	6	8	4	2	5	5	9
Sept.	84	5	4	4	6	7	2	3	5	5	8
Oct.	84	5	3	4	6	6	0	2	5	6	8
Nov.	84	5	3	4	5	6	0	2	4	6	7
Dec.	84	4	3	4	5	5	0	2	4	6	8
Jan.	85	4	3	3	5	4	1	1	4	6	8
Feb.	85	3	5	3	6	4	3	2	5	5	9
Mar.	85	3	4	3	6	3	2	2	6	4	8

Ten Year Annual Growth Rate, Percent

1969-79	4	4	4	4	3	3	3	3	5	5	
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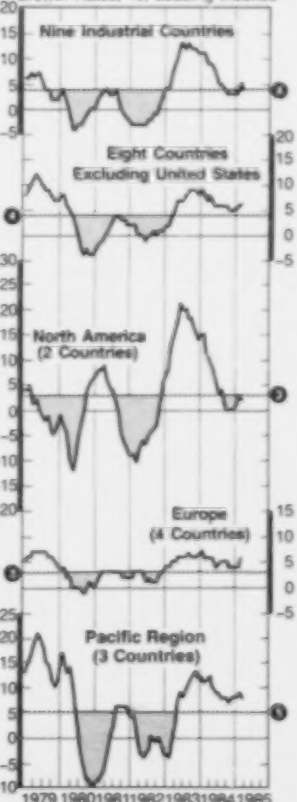
Where We Are

Growth Rates, % Performance Indexes



Where We're Headed

Growth Rates, % Leading Indexes

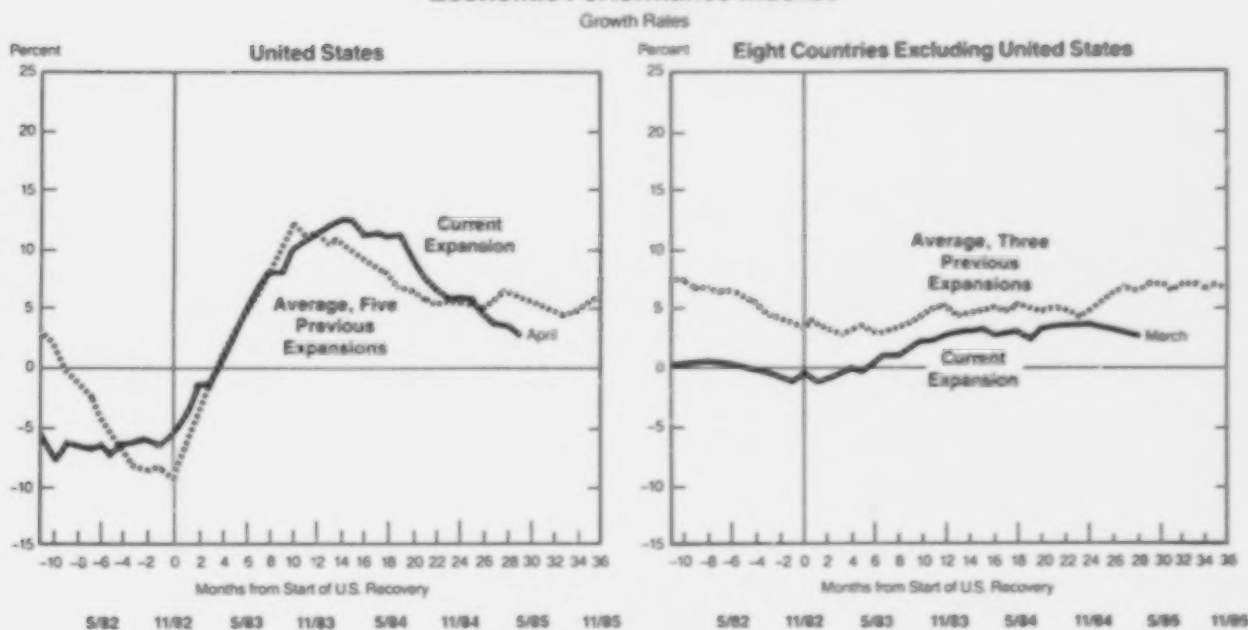


Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBC and The Conference Board

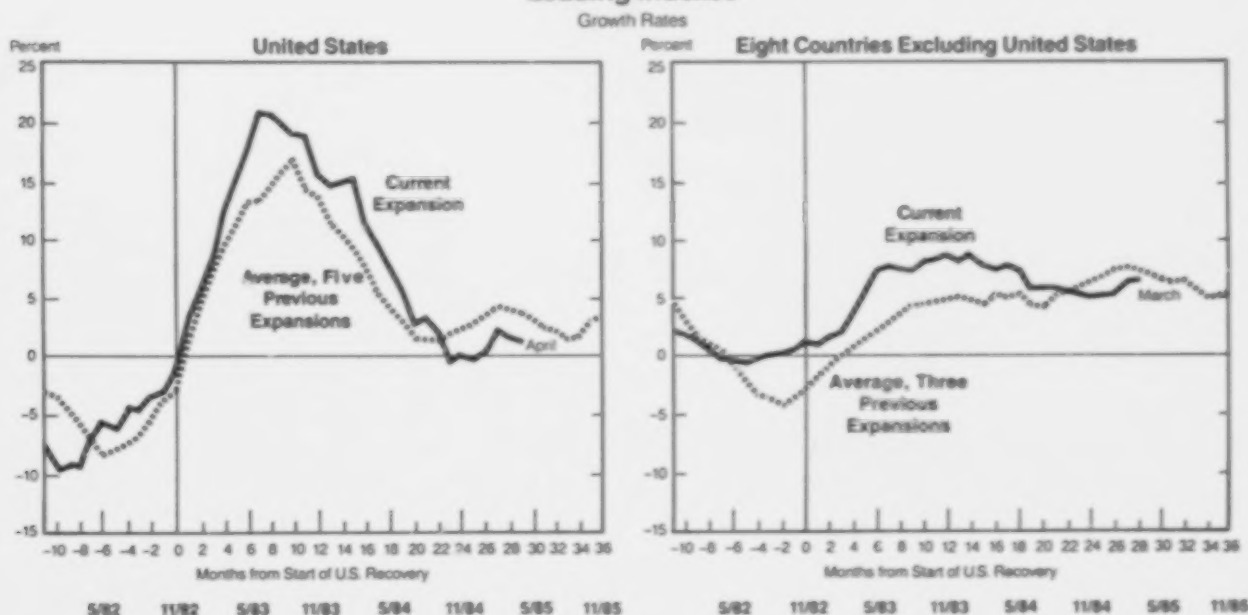
Recession-Recovery Patterns During U.S. Business Cycles

..... Average, Previous Expansions
 — Current Expansion, beginning Nov. 1982

Economic Performance Indexes



Leading Indexes



Note: Horizontal scale for all charts based on timing of U.S. business cycles.

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A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD



The Conference Board

JULY, 1985

SUMMARY

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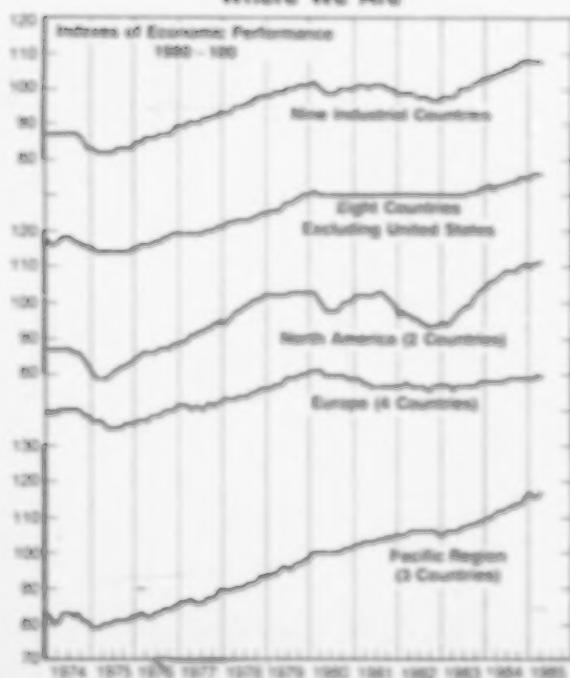
In the major industrial countries, the business cycle continues to move ahead at a quite deliberate pace. In eight of the nine countries, the indexes of economic performance are registering annual growth rates of 3 percent to 4 percent—an unusually uniform pattern. The exception is France, which shows a 2 percent rate of expansion.

The leading indexes, made up of early-moving series such as new orders and common stock prices, point toward further rises in economic activity, but in a mixed way. Once again, the greatest strength is found in the Pacific region. Australia leads the parade with an exceptional 14 percent growth rate in its leading index, and Japan's shows a highly vigorous 10 percent growth. At the low end of the scale are the United States and the United Kingdom, where a rise of only 1 percent is reported. Overall, the picture shown by the leading indexes for the industrial countries is one of advance, not weakness, signifying continued economic expansion rather than recession.

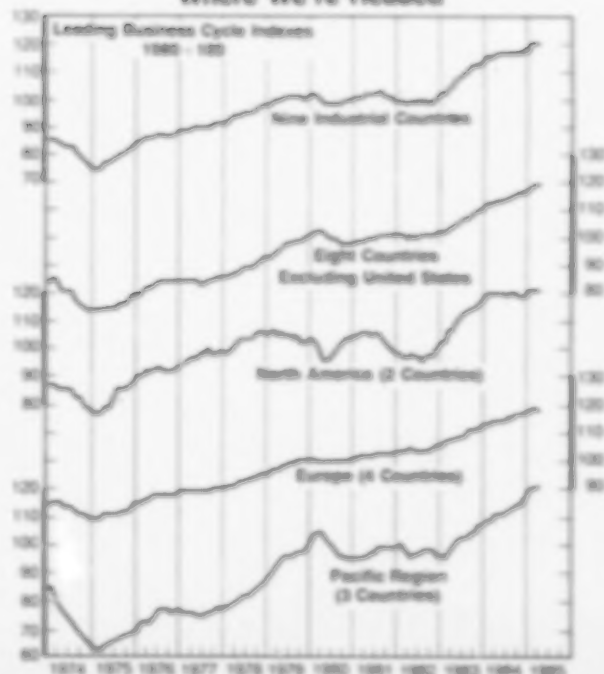
	Ten-year Growth Rate 1969-79	Leading Business Cycle Indexes Growth Rates*			Indexes of Economic Performance Growth Rates*			Current Reading on the Cycle	Latest Month Covered
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
9 countries	4	3	4	4	5	4	3	Expansion slowing	Apr.
8 countries ex. U.S.	4	6	6	6	4	3	3	Expansion continuing	Apr.
Europe (4)	3	5	4	4	2	1	2	Expansion continuing	Apr.
Pacific Region (3)	5	8	10	10	6	6	4	Expansion continuing	Apr.
North America (2)	3	0	1	1	6	4	4	Expansion slowing	Apr.
United States	1	0	2	1	6	4	3	Expansion slowing	May
Canada	4	2	4	6	5	4	4	Expansion continuing	Apr.
West Germany	3	5	2	4	4	4	4	Expansion continuing	Apr.
France	4	7	5	4	-1	-2	2	Recovery stalled; leaders rising	Apr.
United Kingdom	2	3	3	1	2	2	3	Expansion continuing	Apr.
Italy	3	5	6	8	7	3	3	Expansion continuing	Apr./Feb.
Japan	5	8	11	10	6	6	4	Expansion continuing	Apr.
Australia	4	8	8	14	8	8	3	Expansion continuing	Apr.
Taiwan, R.O.C.	10	6	5	4	6	2	3	Expansion slowing	May

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

Where We Are



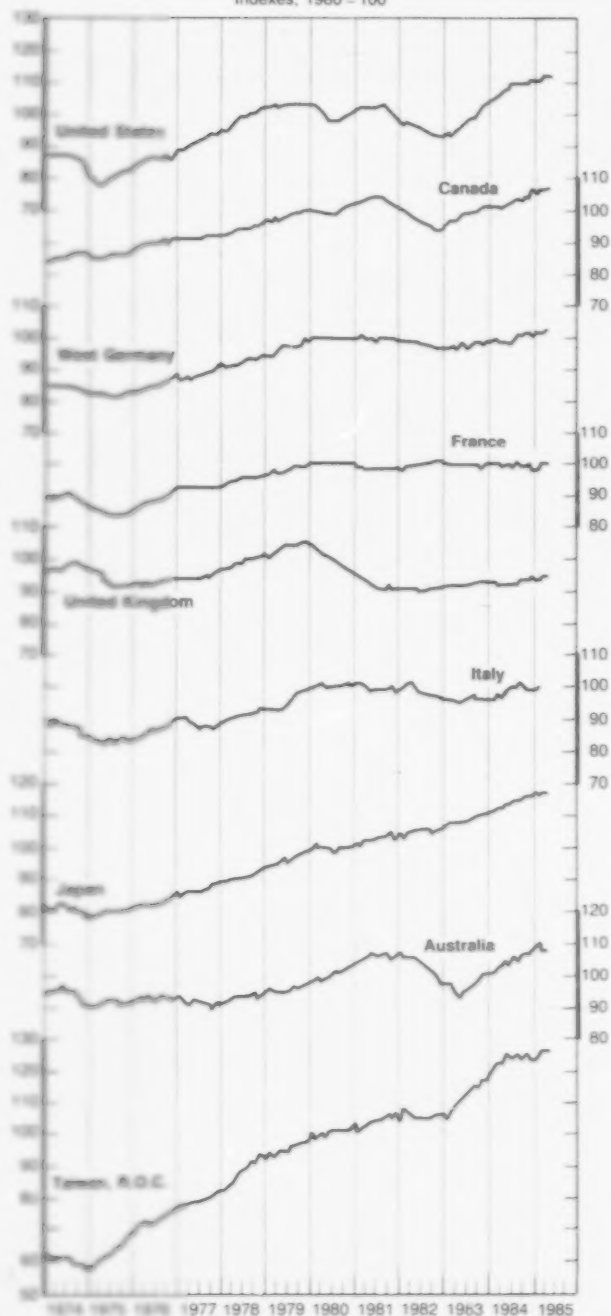
Where We're Headed



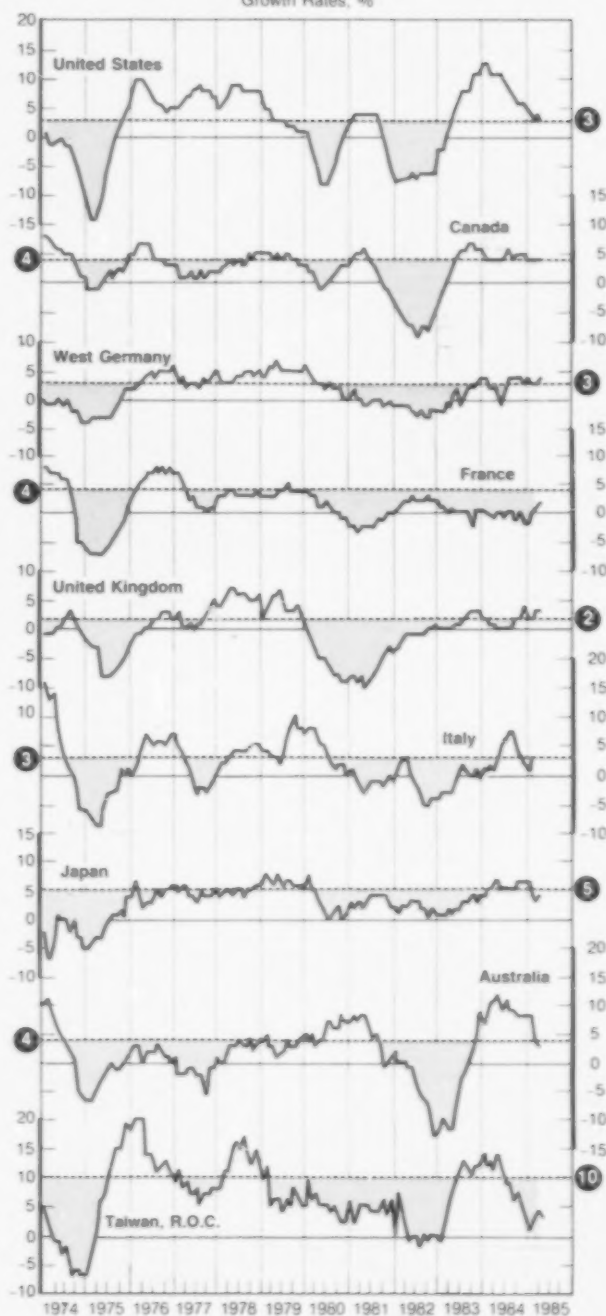
Where We Are

Indexes of Economic Performance

Indexes, 1980 = 100



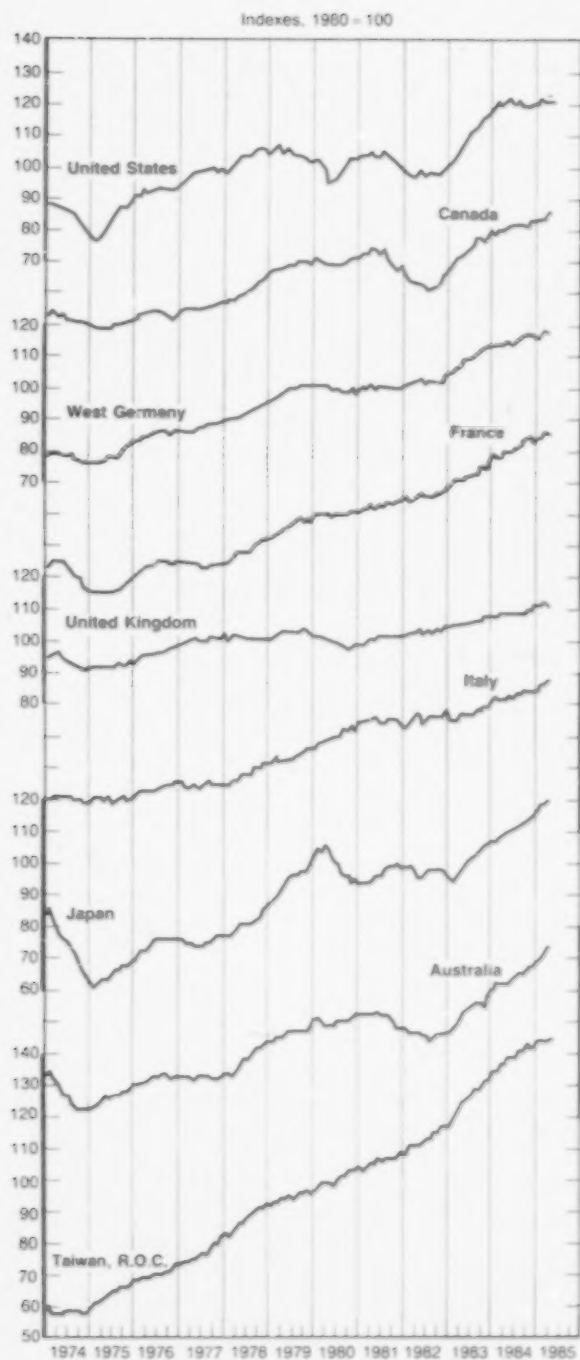
Growth Rates, %



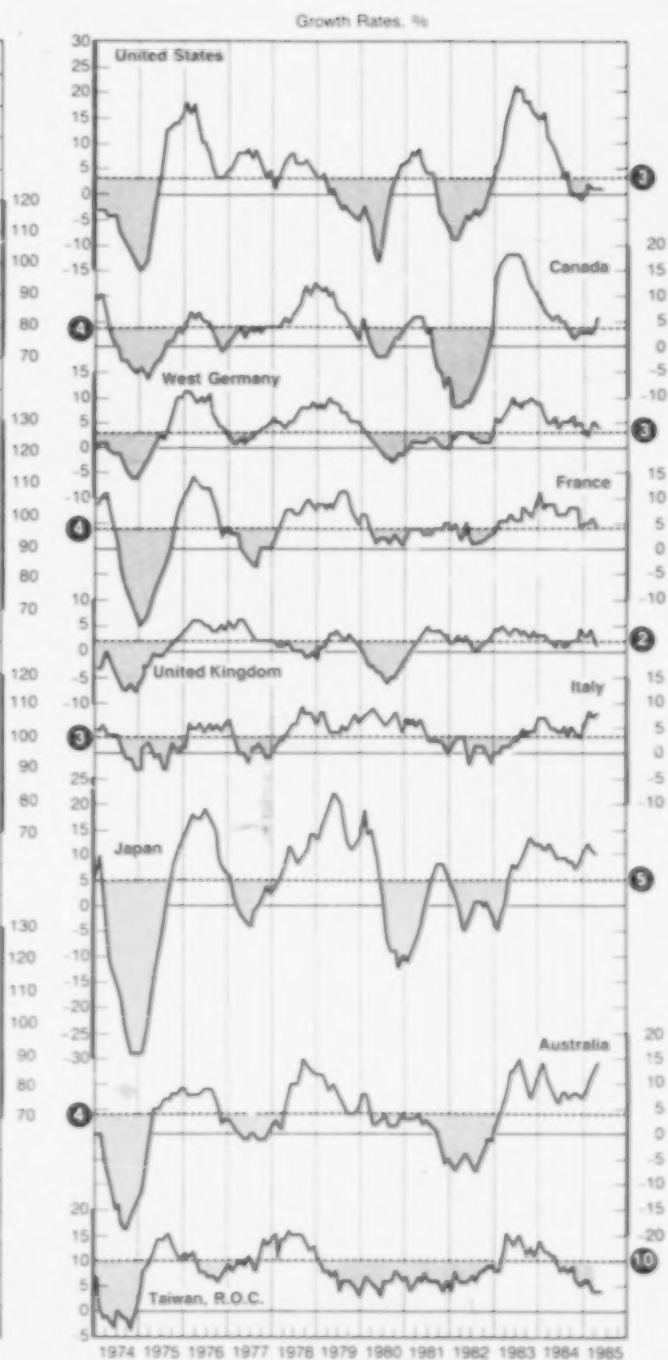
Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Source: OECD and The Conference Board

Where We're Headed

Leading Business Cycle Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP
Sources: CIBC and The Conference Board



INDEXES, NINE COUNTRIES, 1983-85

		U.S.		Canada		West Germany		France		Italy		U.K.		Japan		Australia		Taiwan, R.O.C.	
		Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead
Indexes, 1980-100																			
Jan.	84	105	119	101	109	99	113	100	118	96	111	93	108	111	107	100	110	119	135
Feb.	84	106	121	101	110	100	113	100	118	96	112	93	108	111	107	100	112	119	135
Mar.	84	107	120	101	110	99	113	100	119	97	111	92	109	112	108	102	112	121	137
Apr.	84	108	121	102	111	99	114	99	120	96	111	92	109	112	110	103	112	121	137
May	84	106	121	102	111	99	115	100	120	98	112	92	109	113	110	104	112	124	139
June	84	110	120	103	112	98	114	99	120	99	111	92	109	113	110	104	112	123	139
July	84	110	120	104	112	100	115	100	121	100	111	92	109	114	111	106	114	123	139
Aug.	84	110	121	104	112	101	116	100	122	100	113	92	109	114	112	105	115	124	141
Sept.	84	110	120	104	112	101	116	100	123	101	112	93	109	114	113	106	115	124	141
Oct.	84	110	119	105	111	102	117	99	123	100	113	94	110	116	113	107	116	124	143
Nov.	84	111	120	105	112	102	116	99	124	99	114	94	110	116	113	107	117	125	142
Dec.	84	111	120	106	113	101	117	98	123	99	114	95	111	116	115	108	117	124	142
Jan.	85	111	120	105	114	102	116	98	124	99	115	94	111	117	117	109	119	123	144
Feb.	85	111	122	106	114	102	117	99	124	100	117	94	111	116	119	110	120	124	144
Mar.	85	112	121	106	115	102	119	100	126		117	95	112	117	119	108	122	126	144
Apr.	85	112	121	107	116	103	118	100	125			95	111	117	120	108	124	126	144
May	85	112	121															126	145

Growth Rates, Percent

Jan.	84	13	15	5	9	4	8	0	11	1	7	2	3	4	12	7	11	14	14
Feb.	84	13	16	4	7	5	6	0	8	1	7	2	2	5	11	8	13	12	12
Mar.	84	7	11	4	7	2	5	0	9	2	5	1	3	5	11	10	11	13	12
Apr.	84	1	10	4	6	2	6	-1	9	1	4	1	2	6	12	11	8	11	11
May	84	11	8	4	5	2	6	-1	9	3	5	0	2	5	11	12	7	14	11
June	84	11	6	4	6	-1	5	-1	7	5	4	0	2	5	9	9	6	11	10
July	84	9	3	6	5	3	5	0	7	6	3	0	2	5	9	11	8	9	8
Aug.	84	8	4	5	5	4	5	0	7	7	4	0	2	5	9	9	8	9	9
Sept.	84	7	2	4	4	4	4	0	8	7	3	1	2	5	8	9	7	6	8
Oct.	84	6	0	5	2	4	5	-1	7	4	5	2	3	6	8	8	8	7	9
Nov.	84	6	0	5	3	4	4	-1	7	3	4	3	2	6	7	8	8	6	6
Dec.	84	5	-1	5	4	3	5	-2	4	2	3	4	4	6	9	8	7	3	5
Jan.	85	4	0	4	4	4	2	-2	5	1	6	2	3	6	11	8	8	1	6
Feb.	85	4	2	4	4	3	3	0	5	3	8	2	3	4	12	8	10	2	5
Mar.	85	3	1	4	5	3	5	1	6		7	3	4	3	11	4	12	3	4
Apr.	85	4	1	4	6	4	4	2	4		8	3	1	4	10	3	14	4	4
May	85	3	1															3	4

Ten Year Annual Growth Rate, Percent

1969-79	3	3	4	4	3	3	4	4	3	3	2	2	5	5	4	4	10	10
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		9		8		North				Pacific	
		Countries		Countries ex. U.S.		America (2)		Europe (4)		Region (3)	
		Indexes, 1980 - 100									
		Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead	Perf	Lead
Jan	84	103	114	102	111	105	118	98	113	110	108
Feb	84	104	115	102	111	106	120	98	113	110	109
Mar	84	104	115	102	112	106	120	97	113	111	110
Apr	84	105	116	103	113	107	120	97	114	112	111
May	84	105	116	103	113	108	120	98	114	112	111
June	84	106	116	103	113	109	120	97	114	112	111
July	84	106	116	104	114	109	119	98	115	113	112
Aug	84	106	117	104	114	109	120	98	115	113	113
Sept	84	107	117	104	115	109	120	99	116	114	114
Oct	84	107	117	105	116	110	119	99	116	115	114
Nov	84	108	117	105	116	110	119	99	116	115	115
Dec	84	108	118	105	116	111	119	99	117	116	116
Jan	85	108	118	105	117	110	120	99	117	117	116
Feb	85	108	120	105	118	111	121	99	118	116	120
Mar	85	108	120	106	119	111	121	100	119	116	120
Apr	85	108	120	106	119	112	121	100	118	117	121

Growth Rates, Percent

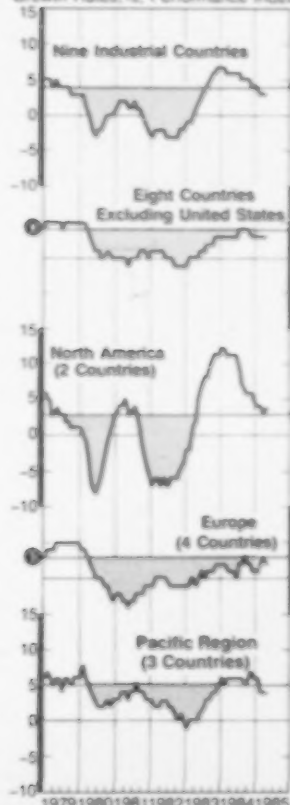
Jan.	84	7	11	3	9	12	15	2	7	5	12
Feb.	84	7	11	3	8	12	15	2	6	5	11
Mar.	84	6	9	3	7	11	11	1	6	6	11
Apr.	84	6	8	3	6	11	9	1	6	6	12
May	84	6	8	3	7	11	8	1	6	6	10
June	84	6	6	3	6	11	6	0	4	6	9
July	84	6	5	4	6	9	3	2	4	6	9
Aug.	84	5	5	4	6	8	4	2	5	6	9
Sept.	84	5	4	4	6	7	2	3	5	5	8
Oct.	84	5	3	4	6	6	0	2	5	6	8
Nov.	84	5	3	4	5	6	0	2	4	7	7
Dec.	84	4	3	3	6	5	0	1	4	6	9
Jan.	85	4	4	3	6	4	1	1	4	6	10
Feb.	85	3	5	3	7	4	2	2	4	4	11
Mar.	85	3	5	3	7	3	2	3	5	4	11
Apr.	85	3	4	3	8	4	1	2	4	4	10

Ten Year Annual Growth Rate, Percent

1969-79	4	4	4	4	3	3	3	3	5	5
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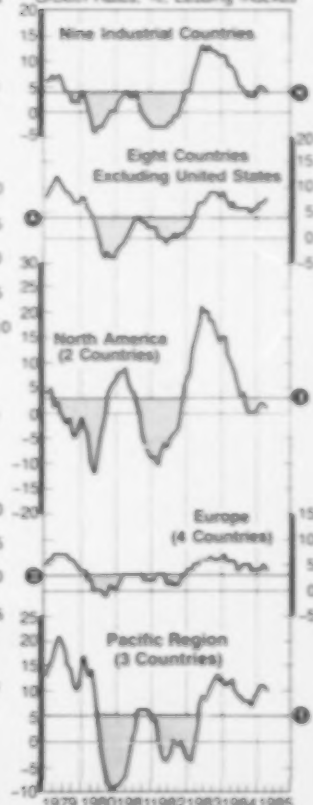
Where We Are

Growth Rates, %, Performance Indexes



Where We're Headed

Growth Rates, %, Leading Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBC and The Conference Board

A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD



The Conference Board

AUGUST, 1985

SUMMARY

R4105-6A

The economic performance indexes, based upon measures of output, income, sales, and employment, are rising in all nine major industrial countries. Australia's 7 percent growth rate is at the top, followed by Japan and West Germany at 5 percent, and Canada at 4 percent. The other five countries are in the 1 to 2 percent growth range. Among these, the U.S. growth rate continued to decline through June, when it reached 2 percent, the lowest rate since early 1983. As a group, the nine countries show an undistinguished growth rate of 3 percent.

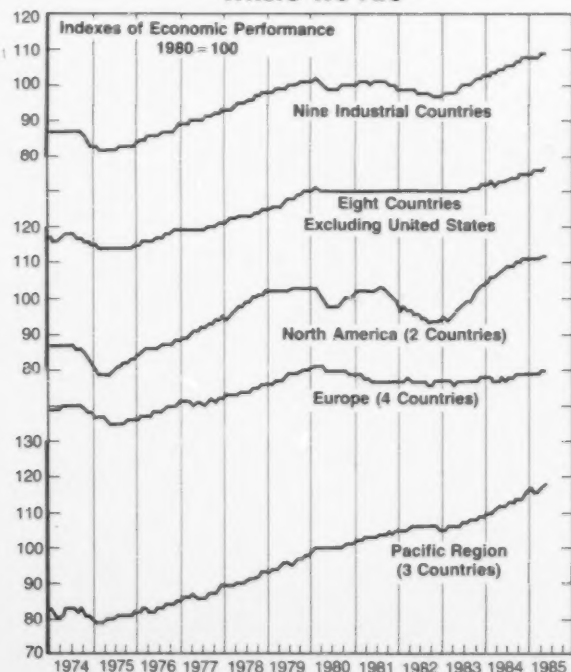
The leading indexes paint a brighter picture in most countries. Australia again tops the list with growth at a 13 percent annual rate. Japan and Italy follow with 10 percent, and Canada with 8 percent. West Germany, France and Taiwan, R.O.C., are in the 4 to 5 percent range. At the bottom of the ladder are the United Kingdom and the United States, where the leading indexes are rising at only 2 and 1 percent rates respectively. The nine-country leading index registers a 4 percent rate, suggesting continued expansion at a moderate pace.

The key word is "moderate". With only one or two exceptions, the economic signs and portents for the industrial world are distinctly *noncyclical*: not enough energy for a boom, but no cyclical exhaustion to suggest recession either.

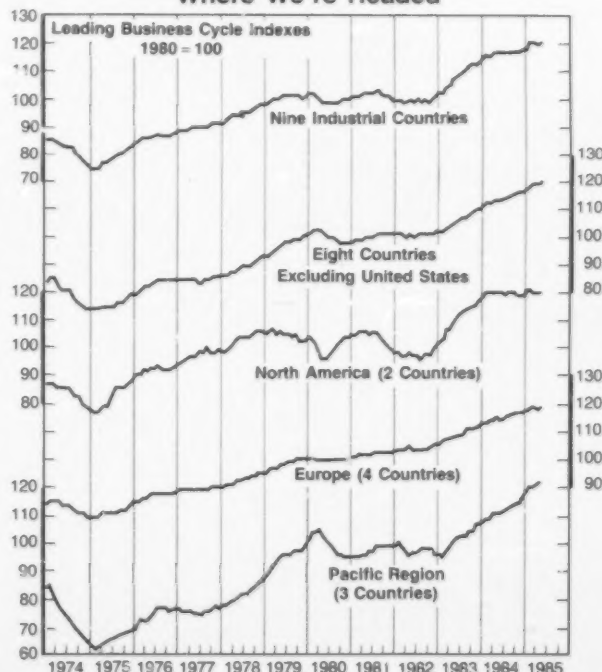
	Ten-year Growth Rate 1969-79	Leading Business Cycle Indexes Growth Rates*			Indexes of Economic Performance Growth Rates*			Current Reading on the Cycle	Latest Month Covered
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
9 countries	4	3	5	4	5	3	3	Expansion continuing	May
8 countries ex. U.S.	4	5	7	7	4	3	4	Expansion continuing	May
Europe (4)	3	4	4	5	2	2	3	Expansion continuing	May
Pacific Region (3)	5	7	11	10	7	4	5	Expansion continuing	May
North America (2)	3	0	2	0	6	4	3	Expansion slowing	May
United States	3	-1	1	1	6	3	2	Expansion slowing	June
Canada	4	3	4	8	5	4	4	Expansion continuing	May
West Germany	3	4	3	5	4	3	5	Expansion continuing	May
France	4	7	5	4	-1	0	2	Recovery resuming	May
United Kingdom	2	2	4	2	3	2	2	Expansion continuing	May
Italy	3	3	7	10	4	1	1	Expansion continuing	May/Apr.
Japan	5	7	12	10	6	4	5	Expansion continuing	May
Australia	4	8	10	13	8	7	7	Expansion continuing	May
Taiwan, R.O.C.	10	5	4	5	3	3	2	Expansion slowing	June

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

Where We Are

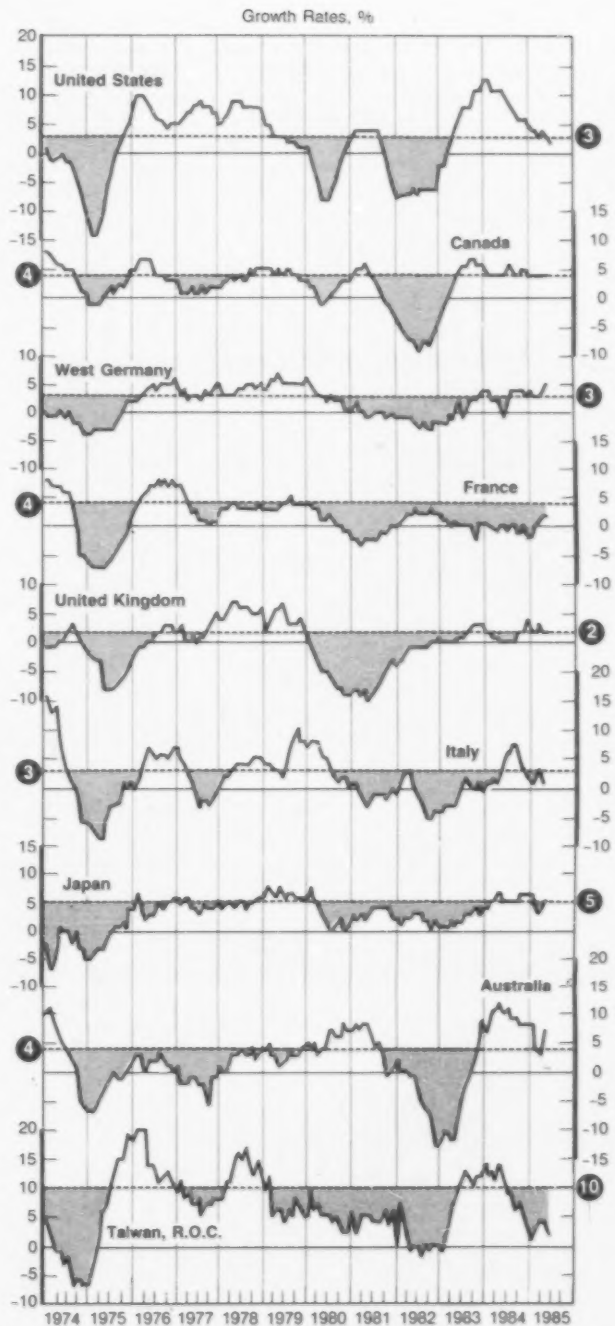
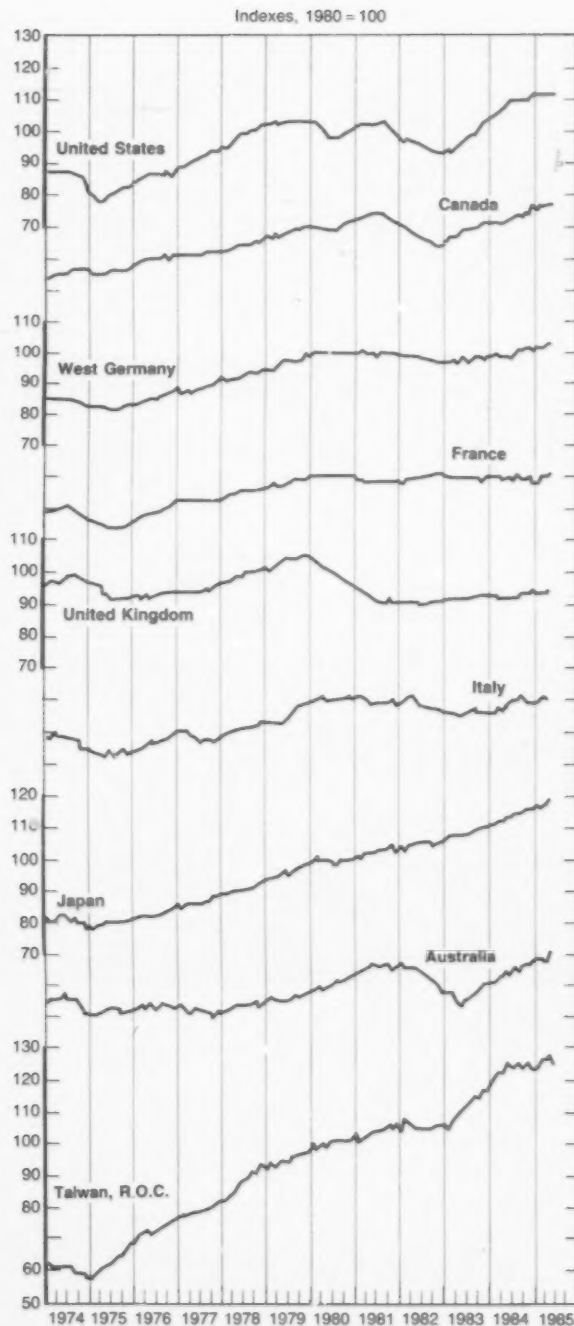


Where We're Headed



Where We Are

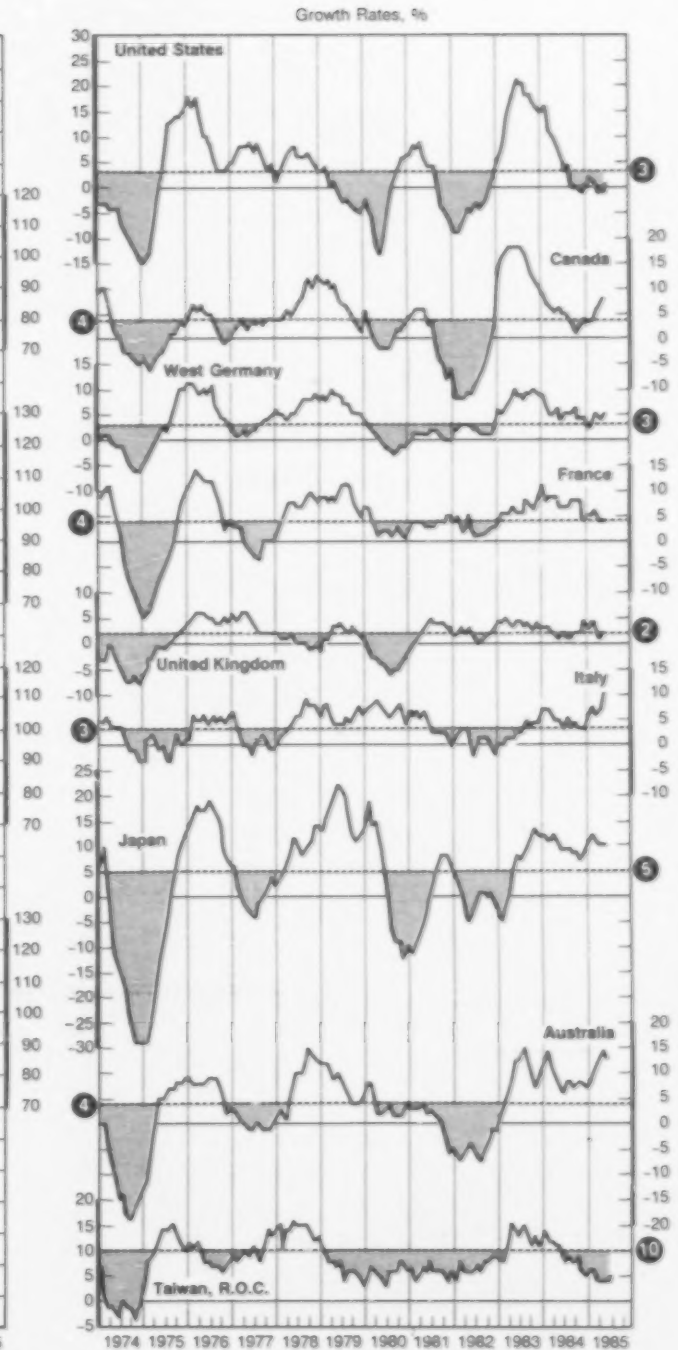
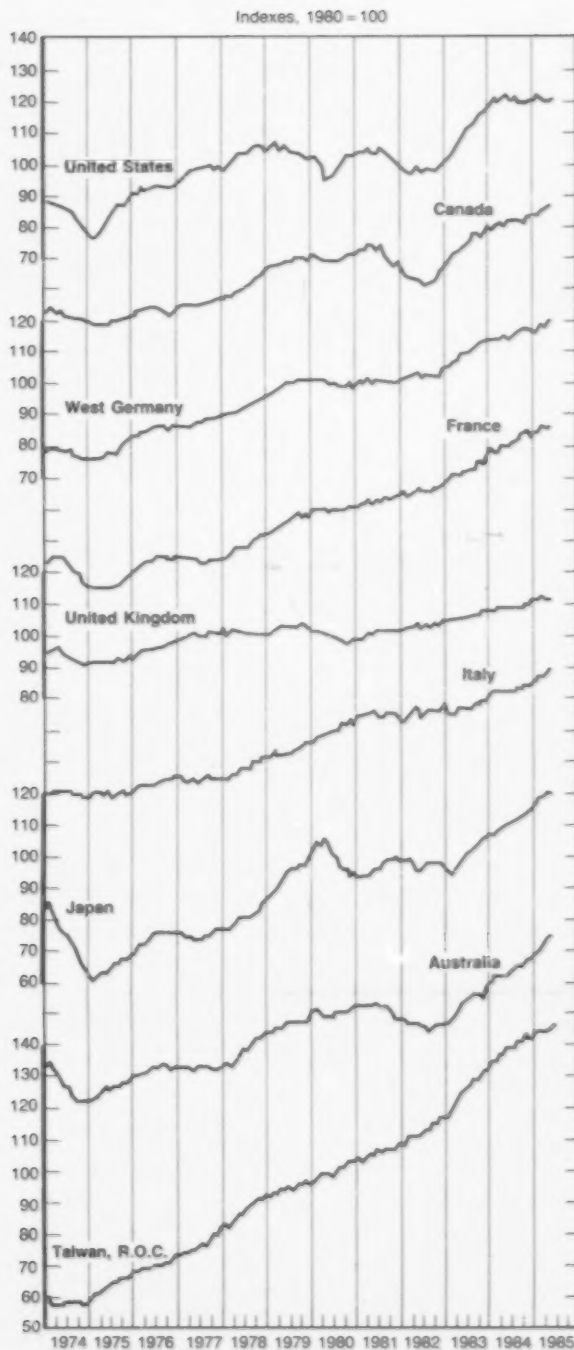
Indexes of Economic Performance



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBCR and The Conference Board

Where We're Headed

Leading Business Cycle Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP
Sources: CIBCR and The Conference Board

RECOVERY PATTERNS IN SIX COUNTRIES

The June *Scoreboard* compared the current economic recovery in the United States with previous expansions, in terms of U.S. data and comparable figures for eight other countries combined. We found that whereas growth rates in economic performance indexes at the end of 1984 had been about the same as in previous U.S. expansions, they had recently become somewhat weaker than average, both in the U.S. and abroad. The leading indexes, however, were showing signs of a pick-up.

These comparisons used the U.S. business cycle expansions as the basic framework, both for the U.S. and the other countries' data. Hence the results focused on the U.S. expansion and whether it was supporting, and being supported by, developments in other countries. Each country, however, has a cycle of its own, more or less independent of other countries. To appraise each country's own performance, comparisons should be made with its own previous expansions. That is what we do here for six countries. (The analysis has not been completed for France and Italy.)

In the recovery pattern charts on the next page, each country's recovery in economic performance since the latest upswing began late in 1982 or early 1983 is compared with the average previous upswing over the same length of time, and extending out to 36 months from the starting point. By that time the average recovery had ended in every country. The average growth rate patterns show that recoveries

begin at a slow pace but pick up speed during the first year or so. This is characteristic of each of the six countries. So too is the slower pace that follows the first year. In none of the countries, however, has the average growth rate dropped to zero or below during the second and third year of expansion.

In the current recovery, the rate of advance for most of the industrial countries outside the U.S. has been slower than in earlier recoveries. This is especially noticeable for Japan and West Germany, the largest of the six economies. The recent patterns for Canada and Australia are closest to the historical norm. Note that the United Kingdom's recovery was interrupted by the long coal strike of 1984. West Germany also was affected by a strike that year, but much less so.

The most recent growth rates for these six countries range from 2 to 7 percent (see table below). In every case except Canada, this is short of the historical norm. But while the current growth rates of the economic performance indexes are somewhat sluggish by past standards, recession is nowhere to be seen.

A better glimpse of the future, however, can be gained by applying the recovery pattern technique to the leading economic indexes. This we plan to do in the October *Scoreboard*.

**CURRENT AND PREVIOUS RECOVERY GROWTH RATES
IN ECONOMIC PERFORMANCE INDEXES, SIX COUNTRIES**

	Current Recovery				Previous Recoveries			
	Starting Date (Trough)	Date	Months from Trough	Percent	Average Growth Rate at Corresponding Date	Number of Recoveries	Initial Year	Average Length in Months
Canada	11/82	5/85	30	4	3	11	1950	18
West Germany	7/83	5/85	22	5	9	6	1954	30
United Kingdom	6/83	5/85	23	2	3	5	1953	31
Japan	6/83	5/85	23	5	13	6	1955	35
Australia	5/83	5/85	24	7	9	6	1952	34
Taiwan, R.O.C.	10/82	6/85	32	2	8	5	1963	20

Note: The data refer to growth cycle expansions, which are periods when the economic performance indicators are rising faster than their long-run growth trends.

THE INTERNATIONAL ECONOMIC INDICATOR SYSTEM

This publication is designed to help readers monitor the ups and downs of the business cycle around the world. To this end, two types of index are shown for each country: an index of economic performance and a leading index. The economic performance indexes are composites of such series as real GNP, industrial production, employment and sales—what analysts call “coincident” series, because they define the business cycle.

The leading indexes are composites of such series as new orders, construction contracts, corporate profits and stock prices—indicators that usually anticipate changes in production and employment by several months. Thus the indexes of economic performance tell us the current status of the business cycle, i.e., where we are, while the leading indexes tell us where the economy is headed.

Experience has shown that when the leading index begins to rise faster, it is a fairly safe rule that the economy will soon begin to rise faster too—typically after three or four months. When the leading index begins to rise more

slowly or to decline, the economy is likely to follow suit shortly thereafter. (For details, see “What the Leading Indicators Indicate,” *Across the Board*, April 1980 and *Business Cycles, Inflation and Forecasting*, Ballinger Publishing Co., 1983.) Considerable variation in the length of lead is to be expected, however. Constant monitoring is needed to make effective use of the system and get early warnings of recessions and recoveries, changes in foreign trade flows, and new inflationary trends.

For More Information

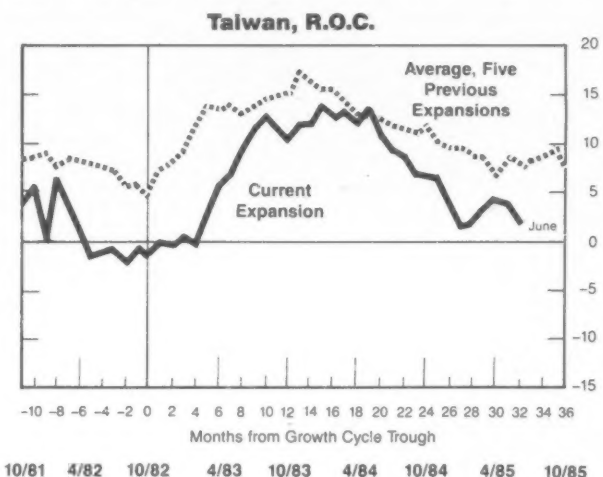
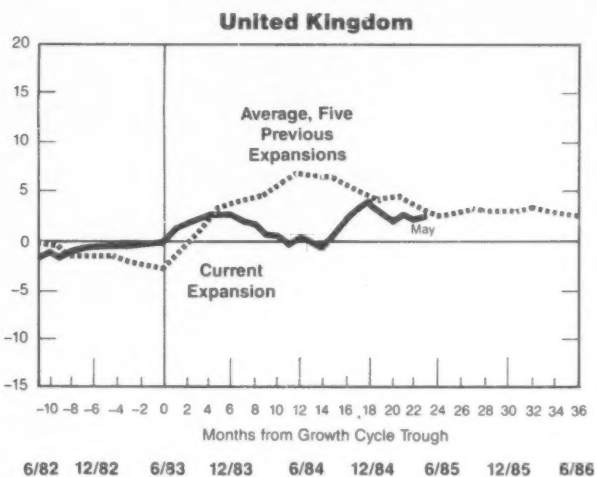
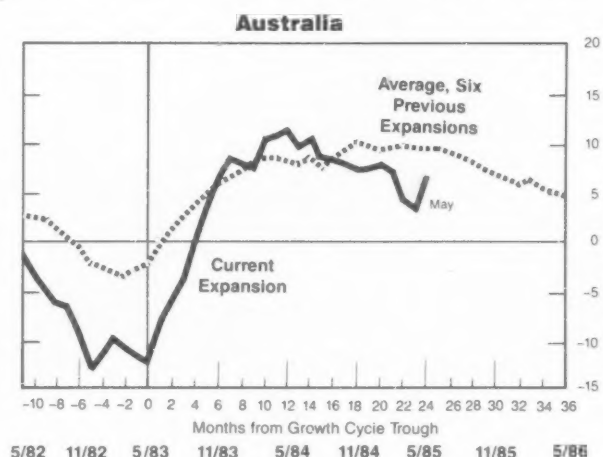
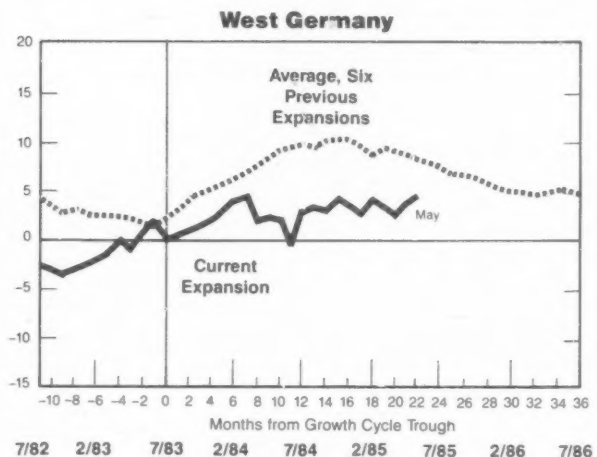
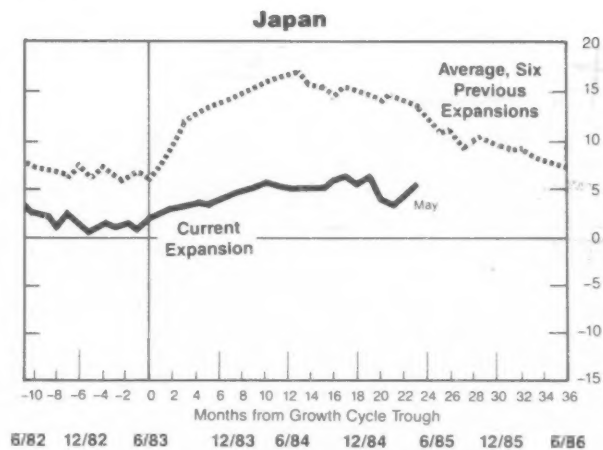
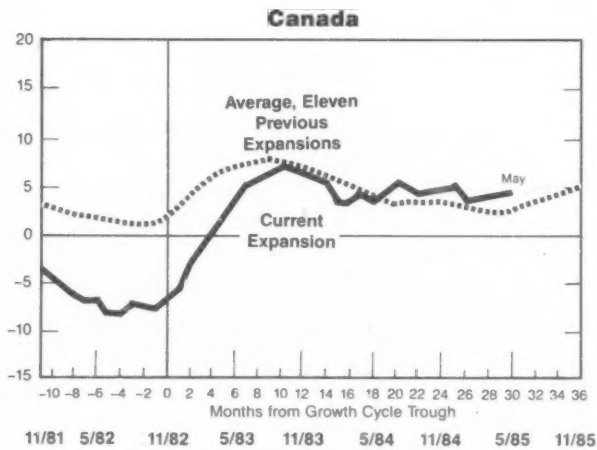
To find out more about this indicator system and the availability of detailed data for each country please address inquiries to:

Center for International Business Cycle Research
Columbia Business School
New York, New York 10027
Telephone: 212-280-2916

Recovery Patterns, Six Countries

Growth Rates in Economic Performance Indexes

..... Average, Previous Expansions
 — Current Expansion



Note: Horizontal scale for all charts based on timing of U.S. business cycles.

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INDEXES, NINE COUNTRIES, 1983-85

		U.S.		Canada		West Germany		France		Italy		U.K.		Japan		Australia		Taiwan, R.O.C.	
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Indexes, 1980 = 100																			
Mar.	84	107	120	102	110	99	113	100	119	97	112	92	109	112	108	102	112	121	137
Apr.	84	108	121	102	111	99	114	99	120	96	112	92	109	112	110	103	112	121	137
May	84	109	121	102	110	99	115	100	120	98	112	92	109	113	110	104	112	124	139
June	84	110	120	103	112	98	114	99	120	99	112	92	109	113	110	104	112	123	139
July	84	110	120	104	112	100	115	100	121	100	112	92	109	114	111	106	114	123	139
Aug.	84	110	121	104	112	101	116	100	122	100	113	92	109	114	112	105	115	124	141
Sept.	84	110	120	104	112	101	116	100	123	101	113	93	109	114	113	106	115	124	141
Oct.	84	110	119	105	111	102	117	99	123	100	114	94	110	116	113	107	116	124	143
Nov.	84	111	120	105	112	102	116	99	124	99	114	94	110	116	113	107	117	125	142
Dec.	84	112	120	106	113	101	117	98	123	99	114	95	111	116	115	108	117	124	142
Jan.	85	111	120	105	114	102	116	98	124	99	116	94	111	117	117	109	119	123	144
Feb.	85	112	122	106	114	102	117	99	124	100	117	94	112	116	119	109	120	124	144
Mar.	85	112	121	106	115	102	119	100	126	101	117	94	112	117	119	108	122	126	144
Apr.	85	112	120	107	116	103	118	100	125	100	118	94	111	118	120	108	124	126	144
May	85	112	120	107	117	103	120	101	126		120	95	111	119	120	111	125	127	145
June	85	112	121															125	146

Growth Rates, Percent

Mar.	84	12	11	4	7	2	5	0	9	2	8	1	3	5	11	10	11	13	12
Apr.	84	12	10	4	6	2	6	-1	9	1	5	1	2	6	12	11	8	11	11
May	84	12	8	4	5	2	6	-1	9	3	5	0	2	5	11	12	7	14	11
June	84	11	6	4	6	-1	5	-1	7	5	4	0	2	5	9	10	6	11	10
July	84	9	3	6	5	3	5	0	7	6	3	0	2	5	9	11	8	9	8
Aug.	84	8	4	5	5	4	5	0	7	7	5	0	2	5	9	9	8	9	9
Sept.	84	7	2	4	4	4	4	0	8	7	3	1	2	5	8	9	7	6	8
Oct.	84	6	0	4	1	4	5	-1	7	4	4	2	3	6	8	8	8	7	9
Nov.	84	6	0	5	3	4	4	-1	7	3	3	3	2	6	7	8	8	6	6
Dec.	84	6	-1	5	4	3	4	-2	4	2	3	4	4	6	9	8	7	3	5
Jan.	85	4	0	4	4	4	2	-2	5	1	5	2	3	6	11	8	8	1	6
Feb.	85	4	2	4	4	3	3	0	5	2	7	2	4	4	12	7	10	2	5
Mar.	85	3	1	4	6	3	5	1	6	3	6	3	4	3	11	4	12	3	4
Apr.	85	4	-1	4	7	4	4	2	4	1	7	2	1	4	10	3	14	4	4
May	85	3	-1	4	8	5	5	2	4		10	2	2	5	10	7	13	4	5
June	85	2	1															2	5

Ten Year Annual Growth Rate, Percent

1969-79	3	3	4	4	3	3	4	4	3	3	2	2	5	5	4	4	10	10
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		8										
		9 Countries			Countries ex. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
		Indexes, 1980 = 100										
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	
Mar.	84	104	115	102	112	106	120	97	113	111	110	
Apr.	84	105	116	103	113	107	120	97	114	112	111	
May	84	105	116	103	113	108	120	98	115	112	111	
June	84	106	116	103	113	109	120	97	114	112	111	
July	84	106	116	104	114	109	119	98	115	113	112	
Aug.	84	106	117	104	114	109	120	98	115	113	113	
Sept.	84	107	117	104	115	110	120	99	116	114	114	
Oct.	84	107	117	105	116	110	119	99	116	115	114	
Nov.	84	108	117	105	116	111	119	99	116	116	115	
Dec.	84	108	118	105	116	111	119	99	117	116	116	
Jan.	85	108	118	105	117	111	120	99	117	117	118	
Feb.	85	108	120	105	118	111	121	99	118	116	120	
Mar.	85	108	120	106	119	111	120	99	119	116	120	
Apr.	85	109	119	106	119	112	120	100	118	117	121	
May	85	109	120	107	120	112	120	100	119	118	122	

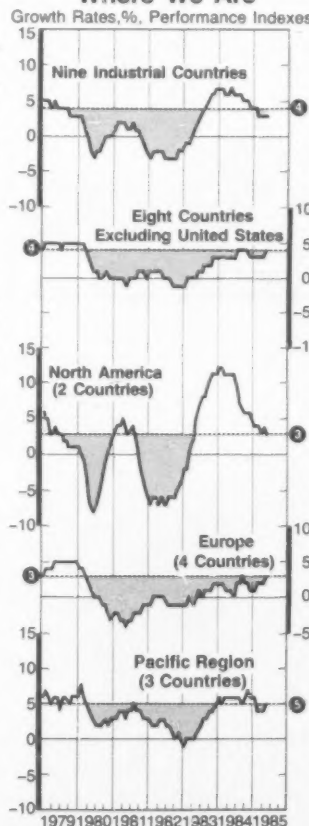
Growth Rates, Percent

Mar.	84	6	9	3	8	11	11	1	6	6	11
Apr.	84	6	9	3	8	11	9	1	6	6	12
May	84	7	8	3	7	11	8	1	6	6	10
June	84	6	6	3	6	11	6	0	4	6	9
July	84	6	5	4	6	9	3	2	4	6	9
Aug.	84	6	5	4	6	8	4	2	5	6	9
Sept.	84	5	4	4	6	7	2	3	4	5	8
Oct.	84	5	3	4	6	6	0	2	5	6	8
Nov.	84	5	3	4	5	6	0	2	4	7	7
Dec.	84	4	3	3	6	6	0	1	4	6	9
Jan.	85	4	4	3	6	4	1	1	4	6	10
Feb.	85	3	5	3	7	4	2	2	4	4	11
Mar.	85	3	4	3	7	3	1	2	5	4	11
Apr.	85	3	3	3	6	4	0	2	4	4	10
May	85	3	4	4	7	3	0	3	5	5	10

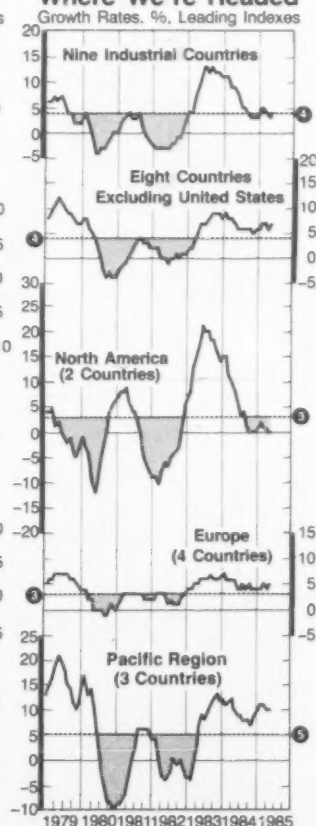
Ten Year Annual Growth Rate, Percent

1969-79	4	4	4	4	3	3	3	3	5	5
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Where We Are



Where We're Headed



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBCR and The Conference Board

A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD



The Conference Board

SEPTEMBER, 1985

SUMMARY

10/23/85

R4103-609

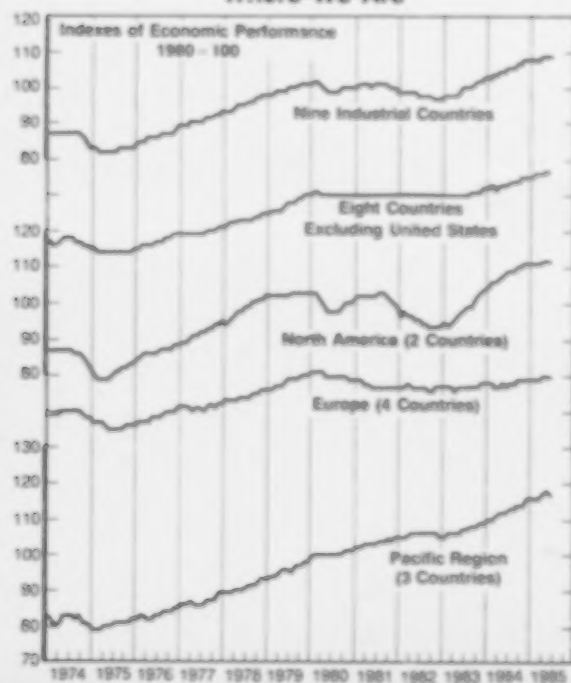
Throughout the world, the business cycle has the blahs. The rate of expansion in the economic performance indexes for the nine major industrial countries covered by the Scoreboard is currently averaging an uninspiring 2 percent. Each country's rate of expansion is between 1 and 5 percent—a highly unusual conformity. It's almost as though there is no business cycle out there at all. Outside the United States, the leading indexes show a few more signs of life than the performance indexes, but nothing to write abroad about.

The Pacific Region is a partial exception to the general pattern. In Australia and Japan expansion continues at a respectable pace, and the leaders are advancing smartly—at a 12 percent rate in Australia, and 8 percent in Japan. In Taiwan, R.O.C. however—which was by far the fastest growing country of the nine for the past 15 years—the cyclical expansion has almost come to a halt.

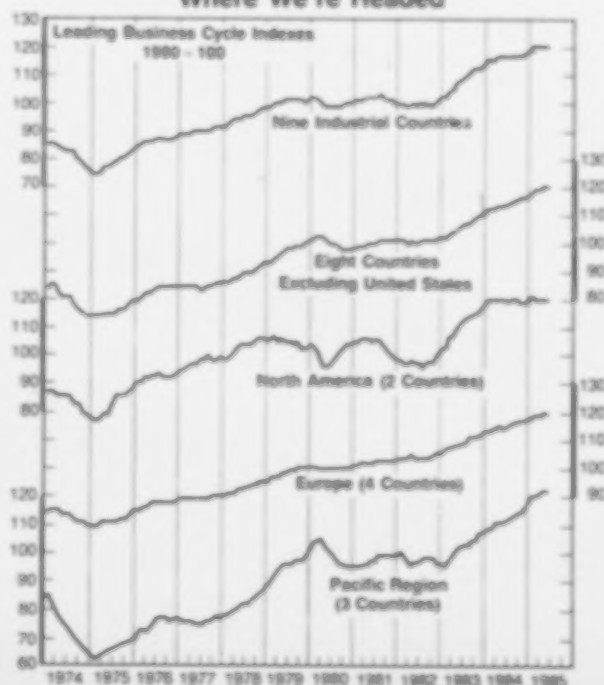
	Ten-year Growth Rate 1969-79	Leading Business Cycle Indexes Growth Rates*			Indexes of Economic Performance Growth Rates*			Current Reading on the Cycle	Latest Month Covered
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
		annual rates, percent							
9 countries	4	3	5	4	4	3	2	Expansion continuing	June
8 countries ex. U.S.	4	6	7	5	3	3	3	Expansion continuing	June
Europe (4)	3	4	6	5	2	2	3	Expansion continuing	June
Pacific Region (3)	5	9	10	9	6	4	3	Expansion continuing	June
North America (2)	3	0	1	1	6	3	2	Expansion stalled	June
United States	3	0	0	1	4	4	2	Expansion stalled	July
Canada	4	4	4	5	5	4	4	Expansion continuing	June
West Germany	3	4	5	5	3	3	4	Expansion continuing	June
France	4	4	7	6	-2	0	2	Recovery resuming	June
United Kingdom	2	4	4	2	4	3	2	Expansion continuing	June
Italy	3	3	6	7	4	1	1	Expansion continuing	June/Apr
Japan	5	9	11	8	6	3	3	Expansion continuing	June
Australia	4	7	11	12	7	5	5	Expansion continuing	June
Taiwan, R.O.C.	10	6	4	6	1	4	1	Expansion nearly stalled	July

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate

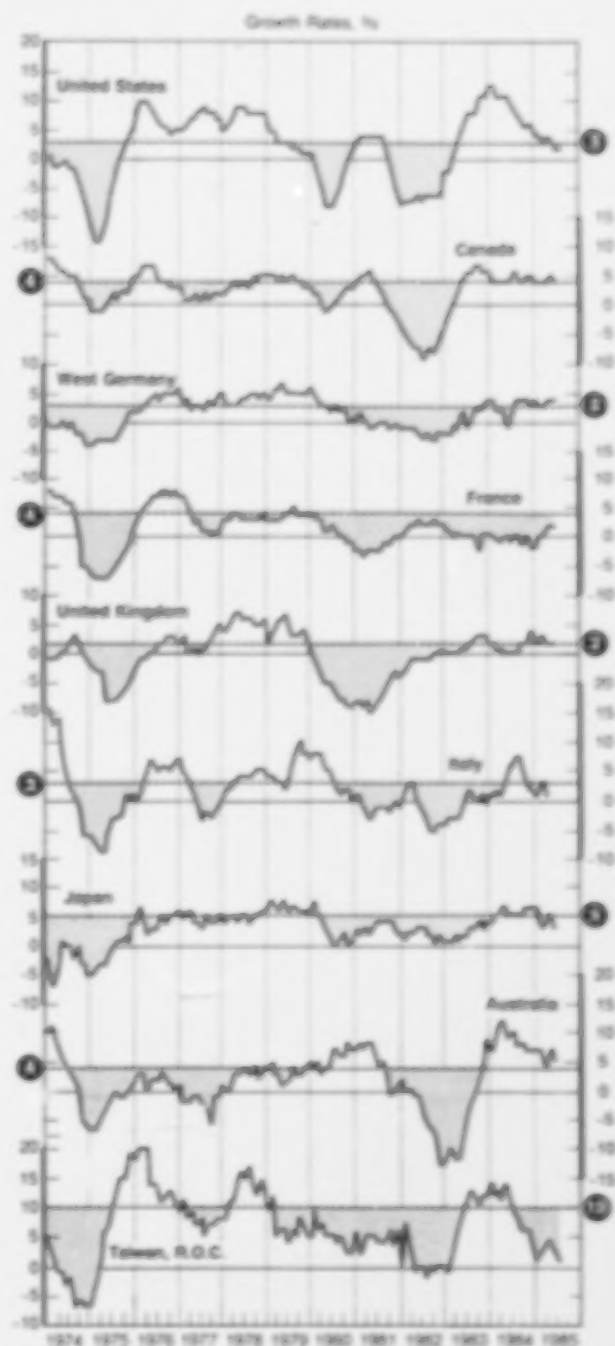
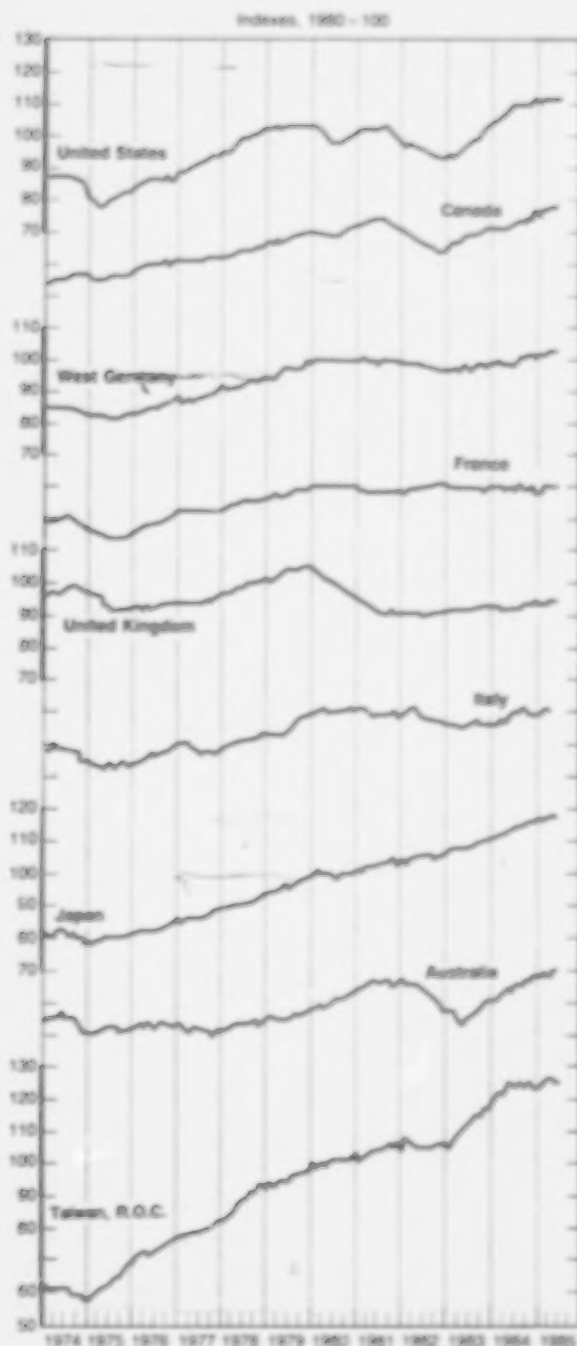
Where We Are



Where We're Headed



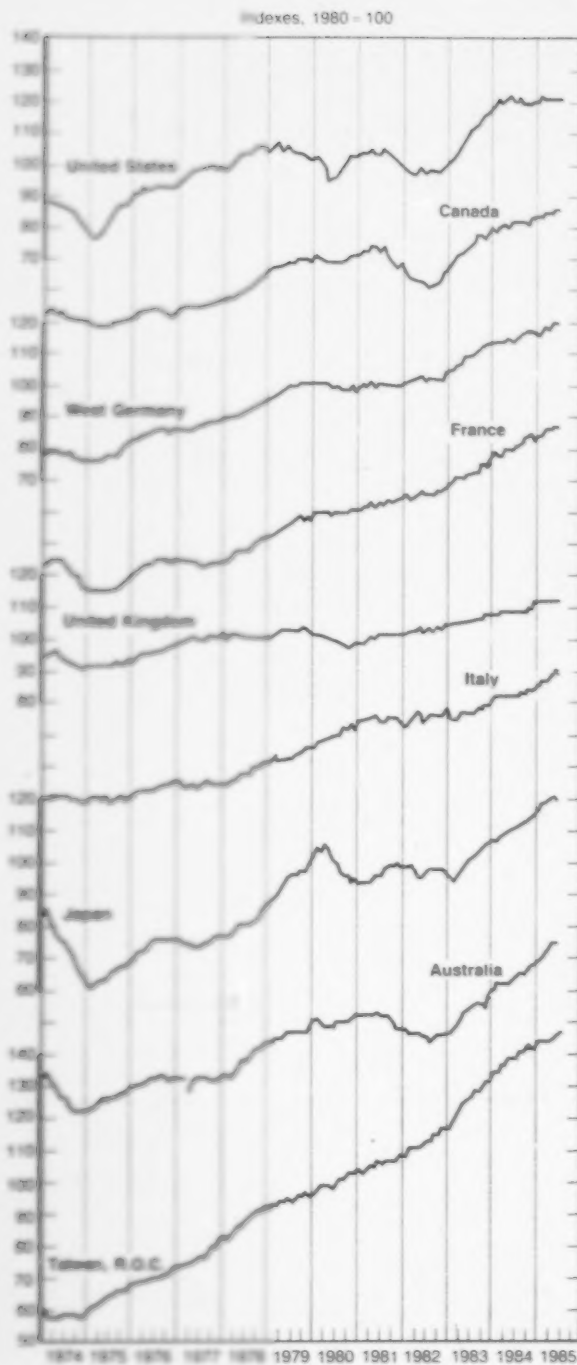
Where We Are Indexes of Economic Performance



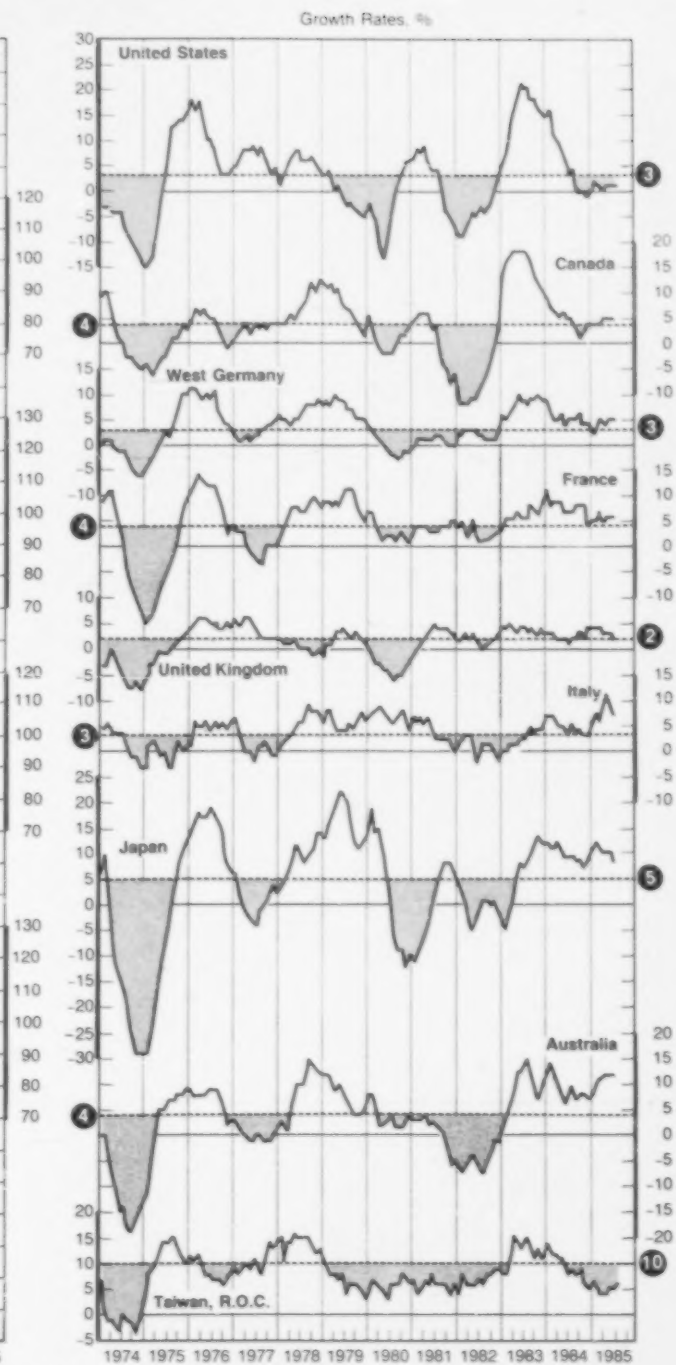
Note: Horizontal dashed lines are average growth rates for 1950-75 in the index and in real GDP.
Sources: CBO and The Conference Board.

Where We're Headed

Leading Business Cycle Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Source: CIBC and The Conference Board



INDEXES, NINE COUNTRIES, 1983-85

		U.S.		Canada		West Germany		France		Italy		U.K.		Japan		Australia		Taiwan, R.O.C.	
		Indexes, 1980 = 100																	
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Mar.	84	107	120	102	110	99	113	100	119	97	112	92	109	112	108	102	112	120	137
Apr.	84	108	121	102	111	99	114	99	120	96	112	93	109	112	110	103	112	121	137
May	84	109	121	102	110	99	115	100	120	98	112	92	109	113	110	104	112	124	139
June	84	110	120	103	112	98	114	99	120	99	112	92	109	113	110	104	113	123	139
July	84	110	120	104	112	100	115	100	121	100	112	92	109	114	111	105	114	123	139
Aug.	84	110	121	104	112	101	116	100	122	100	113	92	109	114	112	105	116	124	141
Sept.	84	110	120	104	112	101	116	100	123	101	113	93	109	114	113	106	115	124	141
Oct.	84	110	119	105	111	102	117	99	123	100	114	94	110	116	113	107	116	123	143
Nov.	84	111	120	105	112	102	116	99	124	99	114	94	110	116	113	106	117	125	142
Dec.	84	112	120	106	113	101	117	99	123	99	114	95	112	116	115	107	118	124	142
Jan.	85	111	120	105	114	102	116	98	124	99	116	94	112	117	117	108	119	123	144
Feb.	85	112	122	106	114	102	117	99	125	100	117	94	112	116	119	109	120	124	144
Mar.	85	112	121	106	115	102	119	100	126	101	117	94	112	117	119	108	122	125	144
Apr.	85	112	121	107	115	103	118	100	126	100	118	95	112	117	120	108	123	126	144
May	85	112	121	107	116	103	120	100	127	121	95	112	118	121	110	125	126	145	
June	85	112	121	108	116	103	120	100	127	119	95	112	117	120	110	125	125	146	
July	85	112	121															125	147

Growth Rates, Percent

Mar.	84	12	11	4	7	2	5	0	9	2	6	1	3	5	11	10	11	13	12
Apr.	84	12	10	4	6	2	6	-1	9	1	5	1	2	6	12	11	9	11	11
May	84	12	8	4	5	2	6	-1	9	3	5	0	2	5	11	12	8	14	11
June	84	11	6	4	6	-1	5	-1	7	5	4	0	2	5	9	9	6	11	10
July	84	9	3	6	5	3	5	0	7	6	3	0	1	5	9	10	8	9	8
Aug.	84	8	4	5	5	4	5	0	7	7	5	0	2	5	9	8	9	8	9
Sept.	84	7	2	4	4	4	4	0	8	7	3	1	2	5	8	8	7	6	8
Oct.	84	6	0	4	1	4	5	-1	7	4	4	2	3	6	8	7	8	6	9
Nov.	84	6	0	5	3	4	4	-1	7	3	3	3	2	6	7	7	8	6	6
Dec.	84	6	-1	5	4	3	4	-2	4	2	3	4	4	6	9	7	7	3	5
Jan.	85	4	0	4	4	4	2	-2	5	1	5	3	4	6	11	7	8	1	6
Feb.	85	4	2	4	4	3	3	0	5	2	7	2	4	4	12	7	9	2	5
Mar.	85	3	1	4	4	3	5	0	7	3	6	3	4	3	11	5	11	3	4
Apr.	85	4	0	4	5	4	4	1	5	1	8	2	3	4	10	4	12	4	4
May	85	3	1	5	5	4	5	2	6		11	2	3	5	10	7	12	3	5
June	85	2	1	4	5	4	5	2	6		7	2	2	3	8	5	12	2	5
July	85	2	1															1	

Ten Year Annual Growth Rate, Percent

1969-79	3	3	4	4	3	3	4	4	3	3	2	2	5	5	4	4	10	10
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		8									
		9 Countries		Countries ex. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Mar.	84	104	115	102	112	106	120	97	113	111	110
Apr.	84	105	116	103	113	107	120	97	114	112	111
May	84	105	116	103	113	108	120	98	115	112	112
June	84	106	116	103	113	109	120	97	114	112	112
July	84	106	116	104	114	109	119	98	115	113	112
Aug.	84	106	117	104	114	109	120	98	115	113	113
Sept.	84	107	117	104	115	110	120	99	116	114	114
Oct.	84	107	117	105	116	110	119	99	116	115	115
Nov.	84	108	117	105	116	111	119	99	116	116	115
Dec.	84	108	118	105	116	111	119	99	117	116	116
Jan.	85	108	118	105	117	111	120	99	117	116	118
Feb.	85	108	120	105	118	111	121	99	118	116	120
Mar.	85	108	120	106	119	111	120	99	119	116	120
Apr.	85	109	120	106	119	112	120	100	119	117	121
May	85	109	120	107	120	112	120	100	120	118	122
June	85	109	120	107	120	112	120	100	120	117	122

Growth Rates, Percent

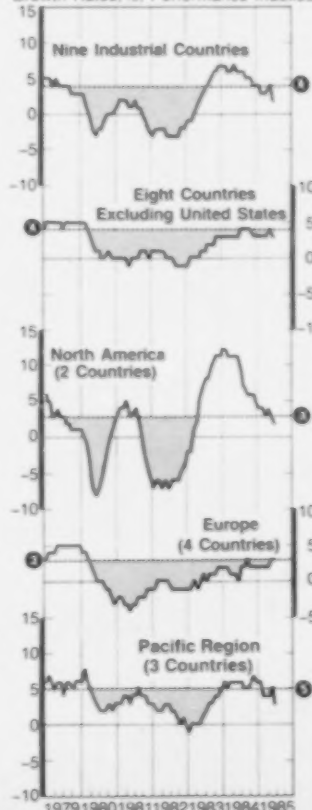
Mar.	84	6	9	3	8	11	11	1	6	6	11
Apr.	84	6	9	3	8	11	9	1	6	6	12
May	84	7	8	3	7	11	8	1	6	6	10
June	84	6	6	3	6	11	6	0	4	6	9
July	84	6	5	4	6	9	3	2	4	6	9
Aug.	84	5	5	4	6	8	4	2	5	5	9
Sept.	84	5	4	4	6	7	2	3	4	5	8
Oct.	84	5	3	4	6	6	0	2	5	6	8
Nov.	84	5	3	4	5	6	0	2	4	7	7
Dec.	84	4	3	3	6	6	0	2	4	6	9
Jan.	85	4	4	3	6	4	1	2	4	6	10
Feb.	85	3	5	3	7	4	2	2	5	4	11
Mar.	85	3	5	3	7	3	1	2	6	4	10
Apr.	85	3	4	3	7	4	1	2	5	4	10
May	85	4	4	4	7	3	1	3	6	5	10
June	85	2	4	3	6	2	1	3	5	3	9

Ten Year Annual Growth Rate, Percent

1969-79	4	4	4	4	3	3	3	3	5	5
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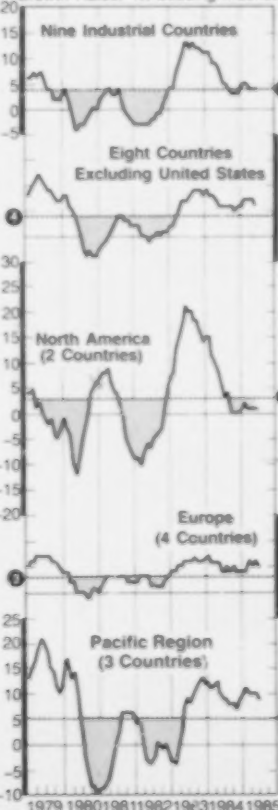
Where We Are

Growth Rates, % Performance Indexes



Where We're Headed

Growth Rates, % Leading Indexes



Note: Horizontal dashed lines are average growth rates for 1969-79 in the index and in real GNP.
Sources: CIBC and The Conference Board